

French economy  
emerges from  
the woods, Page 13

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# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Thursday September 1 1983

No. 29,108

Austria	Sch. 15	Indonesia	Rp 2500	Portugal	Esc. 15
Bahrain	Db. 0.50	Italy	L 1100	S. Africa	Rp. 100
Belgium	Fr. 0.35	Japan	Y560	Singapore	\$3.10
Canada	C\$1.25	Jordan	Fr. 500	Spain	Rs. 95
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Indonesia	Rs. 20	Philippines	Db. 20	U.S.A.	\$1.50

## NEWS SUMMARY

### GENERAL

### Harare officers held after acquittal

Six Zimbabwe Air Force officers were detained indefinitely under emergency powers, mimics after being cleared in Harare's High Court of sabotage at an air force base.

The black judge acquitted them on the grounds that their "confessions" had been obtained through torture, beatings and illegal inducements.

Considerable pressure had been exerted on the Government, particularly by Britain and the U.S., to let the men go free if acquitted. Page 14

### Solidarity protest

Polish riot police fired tear gas and water cannon to disperse demonstrators in Krakow on the third anniversary of the banned Solidarnosc union. Police were also out in force in Gdansk. Page 3

### Firm on Falklands

Britain told UN Secretary General Javier Perez de Cuellar it was still opposed to talks on the sovereignty of the Falkland Islands while Argentina had not formally ended hostilities. Page 6

### Students protest

Pakistan closed a university in Sind province after several thousand students protesting at martial law blocked a highway. Page 4

### Hijackers give up

Five gunmen holding hostages on an airliner they hijacked four days earlier surrendered in Tehran and asked for political asylum. All 17 hostages were freed. Page 17

### Million mourners

Over 1m people turned out in Manila as the body of assassinated opposition leader Benigno Aquino was carried to the cemetery. Page 4

### Cost of flooding

The damage caused by floods in Spain's Basque Country was estimated at over Pta 500bn (\$3.3bn). Thirty-six people died. Page 4

### Oil blaze fight

Thousands of gallons of foam were used to fight an oil refinery fire at Milford Haven, Wales. Amoco, the owner, said this was a burning effect, as the blaze entered its second day.

### London bombings

Two of the three bombs which went off in central London seemed to be aimed at the home and office of De Beers director Sir Philip Oppenheimer. The third damaged an Israeli bank.

### Profitable games

Australia's Commonwealth Games Foundation, set up to organise last year's Brisbane games, wound up with a profit of A\$1.1m (US\$545,000).

### Challenger success

The U.S. space shuttle Challenger successfully launched its main cargo, an Indian weather and communications satellite.

### Briefly...

Chinese Foreign minister Wu Xueqian will visit the U.S. next month. Sri Lanka is to introduce compulsory military service.

Ghana soldier was executed for killing three judges.

Indian pilgrims bus hit a truck in the Himalayas: 25 died.

Two East German teenagers rowed the Baltic in a dinghy to escape to the West.

### BUSINESS

### \$97m loss after fall in sales at Yamaha

YAMAHA MOTOR, the world's second biggest motor-cycle maker, suffered a consolidated pre-tax loss of Y24.01bn (\$97.3m) in the year to April 30. The loss, compared with a Y7.18bn previous group profit, reflects sharply declining sales in Japan and abroad and special costs of the U.S. subsidiary's reorganisation. Page 14

● **ALDO** improved in London to DM 2,697 (DM 2,689), FF 8.11 (FF 8,002) and SwF 2,186 (SwF 2,185) but eased to Y246.25 (Y246.3). Its Bank of England index was 129.5, up 0.2. In New York the dollar closed at DM 2,086; FF 8.08; SwF 2,177.5 and Y245.80. Page 37

### Pace of U.S. recovery begins to slow

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE RAPID pace of the U.S. recovery is beginning to slacken, with an increase of just 0.3 per cent in July's index of leading indicators, the Commerce Department reported yesterday.

The July rise in the indicators, intended to predict the level of economic activity in the weeks and months ahead, was the smallest gain since last August, when the index fell by 0.1 per cent. For the previous seven months the index had been surging forward by more than 1 per cent a month.

The slowdown was welcomed by Mr Malcolm Baldrige, the Commerce Secretary, who said that the "modest" rise was "an early indication that the economic rebound of the second quarter will taper to a more sustainable pace."

It was better that the growth in real gross national product should slow down from the second quarter's annual rate of 0.2 per cent to avoid upward pressures on prices and interest rates, he said. Mr Robert Orttner, the department's chief economist, said that 7 or 8 per cent was a "reasonable estimate" for the annual growth rate in the current July-to-September quarter.

A further sign that the frenetic pace of recent months may be set down was a fall of 1.7 per cent in new factory orders last month, after a revised 5.1 per cent increase in June, the largest rise since December 1970.

Economists said that the latest figures appeared to confirm signs of a slight slowdown, already signalled by falling retail sales and sales of new family homes last month.

The department stressed, however, that the statistics did not necessarily mean that the recovery

Its objective was to dislodge the loose coalition of Shiite, Sunni Moslem and Druze militias out of the positions they had won along the "Greenline" area dividing predominantly Christian East Beirut from the Moslem West in three previous days of fighting.

The Lebanon Government decided had earlier yesterday declared a complete curfew following a night of heavy artillery and mortar exchanges. The town was once again littered with rubble and shards of glass as the Moslems and largely Christian Army fought street by street, and the Syrian and Druze artillery embedded in the

mountains surrounding Beirut continued to pound Christian East Beirut as well as positions around Beirut International Airport to the South of the city.

A hotel which houses most of the international press came under fire, and the 250 or so journalists, many of them British, were forced to flee to the basement, which used to be a night club, as mortar and artillery rounds crashed in windows, and shook doors from their hinges. None of the journalists was reported hurt last night.

The Lebanese Army appeared to be succeeding in its task of pushing the militias back into their West

Beirut enclaves and also out of the city. Last night, the army had secured the key Murr Tower area on the Greenline.

The four day battles have been achieved at a great cost in lives, with the death toll officially put at 54.

The Lebanese Army has been a weak force in Lebanese politics in the past decade, overshadowed by the Phalangist Lebanese Forces built up by late Mr Bashir Gemayel.

Mr Gemayel was elected President last September only to be assassinated 23 days later. His brother, Mr Amin Gemayel, who does not exert the same tight control over

the Lebanese forces, was elected President after his death.

There is now speculation that, should the push against the militias prove successful in Beirut, the Lebanese Army will be deployed in the Chouf mountains outside Beirut, when the Israeli forces withdraw.

● Mr George Shultz, the U.S. State Secretary, has pledged that the U.S. Marines in Beirut will fight back "with vigour" if they came under renewed assault. Reginald Dale writes from Washington.

He did not however, believe that the Marines were the target of a concerted attack.

Israeli leadership battle, Page 4

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The story behind Italy's Banco Ambrosiano affair is told by Rupert Cornwell, the FT's Rome Correspondent, in a book published today. In this second extract, he describes...

## A strange, brief marriage

Rupert Cornwell

MEASURED in terms of days, the union between Roberto Calvi and Carlo De Benedetti was brief. It lasted precisely 65 days, from November 19 1981 to break-up, and De Benedetti's complete withdrawal the following January 22. Nonetheless, it is peculiarly revealing, a single snapshot of a remarkable opportunity of Italian life, and a vital moment. For the deal with De Benedetti marked the banker's last serious effort to win back respect and respectability.

Onlookers had every reason to be surprised by the marriage, for the two partners could hardly have been less compatible. Calvi was more secretive and suspicious than ever, hateful of publicity and frequently ill at ease on social occasions, the most private of Catholic financiers. De Benedetti epitomised the modern, aggressive face of Italian industry, known and admired abroad, and with a natural gift of self-promotion. He is glossy and charming, and certainly not "Catholic," coming from an old Piedmontese Jewish family. In 1978, a year before he was subjected to the Bank of Italy inspection, De Benedetti was voted Italy's manager of the year for his success in revitalising the staid and slumbering Olivetti.

So what on earth were they doing together? Enrico Cuccia, the wise old man of Mediobanca, observed to De Benedetti: "I don't think you'll last six months with Calvi. Either you'll have him out in a week, or you'll withdraw. One of you has made a great mistake." In the first aftermath it seemed as if the man from Olivetti had erred; in fact that two tumultuous months probably harmed Calvi much more.

The first contacts occurred in October. De Benedetti wanted to place some bonds of Olivetti and Cif, a holding company he controlled, at Banco Ambrosiano. His representative, Francesco de Michelis, went to see Calvi about the proposal, but came back with intriguing news. Yes, there would be no problem about placing the bonds, but

Calvi wished to see De Benedetti personally, about something else. An appointment was made, and the two met in Calvi's office at Ambrosiano. The banker as usual spoke around the issue, crafty and evasive. First he offered a seat on La Centrale's board, but De Benedetti demurred. Then suddenly, he came to the point.

Despite the conviction, Calvi insisted he was innocent. But he was tired: "I've had enough; there's no point my staying if the politicians are still against me," Calvi said. "He wanted to hand over a healthy Ambrosiano, one which he had built into the biggest private bank in Italy. When De Benedetti buy into Ambrosiano and become deputy chairman, with the understanding that he would take full charge after six months, once the appeal had been upheld?

De Benedetti went away to mull over the proposal. The potential rewards were tempting, many more than he was losing interest in Olivetti, and superficially Ambrosiano still seemed a sound investment. The draw-back lay in having to work alongside Calvi for a certain period, for the two instinctively were rivals, temperamentally as different as could be. Eventually De Benedetti concluded that the prize was worth the risk, and terms were agreed. He would pay 150m for a million shares in the bank. With 10 per cent of its capital, he would be Ambrosiano's largest single declared Italian shareholder.

Andreatta, the Treasury Minister, upon learning of the deal, remarked laconically that "the ways of capitalism are strange." Clampli at the Bank of Italy was more enthusiastic. De Benedetti with his entrepreneurial drive and above-board methods might succeed where the central bank had long failed, in throwing light on the hidden, foreign parts of Ambrosiano. Clampli still felt the bank was safe—as the success of that summer's 1240m capital-raising operation seemed to confirm. If De Benedetti wanted to empire-build, then the central bank would not stand in his way.

### Westland/Utrecht Hypotheekbank NV half yearly statement

per 30 June 1983

#### Key figures of Consolidated Profit and Loss Account (in f 000)

	30.6.1982	31.12.1982	30.6.1983
Revenue from mortgages	562,523	1,046,549	462,424
Revenue from construction loans and other advances	22,504	50,351	19,060
Other revenues	36,291	68,889	36,156
<b>Group revenue</b>	<b>627,318</b>	<b>1,169,099</b>	<b>517,640</b>
Total cost of borrowed funds	576,422	1,073,005	462,396
General expenses	42,094	60,957	40,355
Depreciation of property	4,904	8,740	4,243
<b>Group costs</b>	<b>623,400</b>	<b>1,163,752</b>	<b>507,294</b>
 <b>Operating Result</b>	 3,918	 5,307	 10,346
Provision for general contingencies	25,000	150,000	25,000
 <b>Taxation</b>	 —	 —	 —
 <b>Net result</b>	 (21,982)	 (144,693)	 (14,654)

	30.6.1982	31.12.1982	30.6.1983
Share capital (placed)*	40,337	82,158	82,158
(paid up)			
Reserves*	40,337	50,732	50,732
Subordinated loans*	165,810	104,738	104,738
Borrowed funds	155,438	327,982	325,788
<b>Mortgages</b>	<b>11,357,049</b>	<b>10,112,222</b>	<b>8,297,178</b>
Construction loans and other advances	10,757,279	9,654,765	8,804,562
Building projects in hand	424,258	373,448	367,985
Managed property	459,603	333,067	224,247
Balance sheet total	13,511,990	12,136,401	11,262,294

\* Placed capital, reserves and subordinated loans together are the capital base of the company, i.e. per 30-6-1983 f 513 million.

Copies of the complete half yearly statement are available on request at our head office in Amsterdam, Sarphatistraat 1, 1017 WS Amsterdam, The Netherlands, Tel. 02031 20263/31 Extension 413 or J. Henry Schroder Wag & Co., 120 Cheshunt EC 2V 6DS London, Tel. 0884000.

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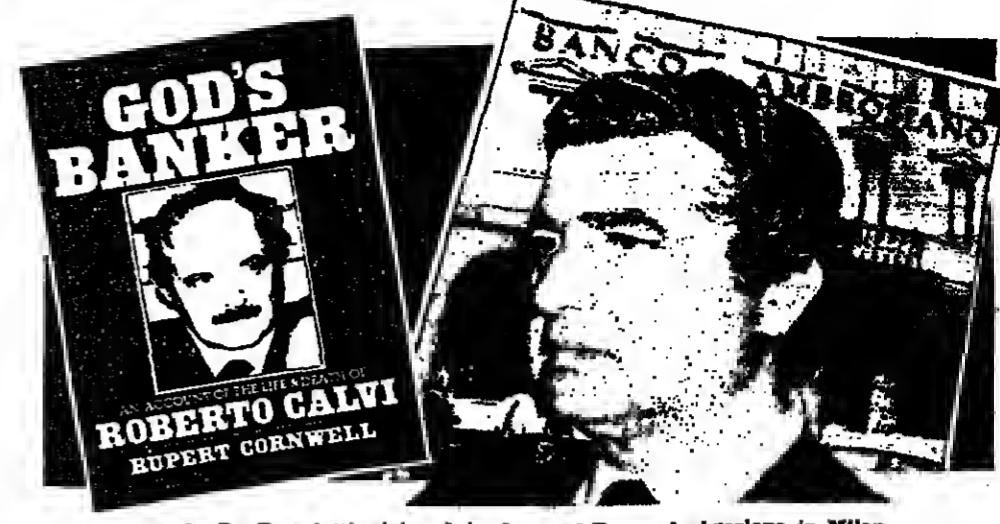
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Carlo De Benedetti pictured in front of Banco Ambrosiano in Milan

Calvi's motives were obvious enough: the arrival of De Benedetti, after the Agnelli of Fiat, Italy's best known business, would give sorely needed lustre to Ambrosiano. It might even encourage foreign banks to resume lending to the bank—and thus permit the still secret overseas edifice to be shored up. De Benedetti? What was he about? Was he planning to abandon Olivetti, or was he seeking back-stage control of the Corriere newspaper, which Ambrosiano's group effectively controlled? Some of Milan's wiser brokers and brokers were privately dis-

identification and enable him to return to Italy. In fact Galli was in frequent contact with the banker directly or through intermediaries.

At that stage De Benedetti thought the Mafia, or the P-2, were involved. In any case there was little point continuing there and then, so a new meeting was arranged for the following day. La Centrale's De Benedetti asked for an office at Ambrosiano, a secretary, together with annual reports and balance sheets of the bank and its various

branches.

De Benedetti was made quickly aware of the shadowy presence of the lodge. Just before his first Ambrosiano board meeting on December 6, Calvi took him on one side in the corridor: "You be careful," he said, "the P-2 is preparing a dossier on you." There was no material. De Benedetti protested, he had never had anything to do with the lodge.

De Benedetti insisted: "I just

advice you to take care, because I know."

As the new deputy chairman persisted in his efforts to do his job properly, the warnings became louder. Some giving the name of "Ortolani," made several vaguely menacing calls to De Benedetti's home in Geneva, where his family lived. Then at Olivetti's headquarters at Ivrea he received a letter postmarked in Geneva setting out physical threats against himself and his children.

Thereafter, his relations with Calvi steadily worsened. De Benedetti sent Calvi letter after letter complaining of his treatment and took to insisting that his objections be recorded at the official minutes of successive committee meetings. And as information was withheld, De Benedetti's suspicions about Ambrosiano grew. For if Calvi was behaving so strangely, then he must have something serious to hide, quite distinct from the importance of the deal.

Quite clearly the P-2 and

other forces were manipulating Calvi, were si-

lencing that De Benedetti's

presence within Ambrosiano

was intolerable. As the events of November 21 showed, Calvi too had been told unequivocally that he had made a mistake, that he had made a grave one.

De Benedetti once asked

Calvi about his relations with Galli. The reply was that the two had not seen each other for ages, although Calvi under-

stood that in hiding the P-2

grandmaster had undergone

facial plastic surgery, to avoid

rumours of profound divisions between them had been rife for a fortnight. Four days later the long-aspiring Orazio Bagmasco was co-opted to Ambrosiano's board as the new deputy chairman alongside Rosone, after paying on behalf of one of his companies.

On January 22, the formal announcement of his departure

was made, to no-one's great surprise: rumours of profound

divisions between them had been rife for a fortnight. Four days later the long-aspiring Orazio Bagmasco was co-opted to Ambrosiano's board as the new deputy chairman alongside Rosone, after paying on behalf of one of his companies.

De Benedetti became

under simultaneous attack from Rossi. After waiting in vain

on January 19 for Calvi to attend a scheduled meeting to discuss Ambrosiano's future

and to seal the surrender, Ambrosiano would be quoted as soon

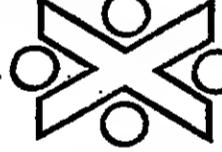
as possible on the main market, and the long-standing "clause of approval" for new shareholders would be abolished. In due course the first public list ever of Ambrosiano's main shareholders would also be disclosed.

Whatever judgment is made about Calvi, his life at this time must have been agony. Previous "friends" at the Vatican and the Roman political world were deserting him; at best indifferent, at worst openly manoeuvring to replace him. The pressures of the Bank of Italy, the nagging of the Consob, the pestering of Galli and the like, the multiplying judicial investigations by magistrates in Milan and Rome; all had to be jugged into some kind of order. Everyone wanted money, promising protection that never came, or wanting or solutions to the financial problems that were straws which snapped at the clutching. In the background loomed the appeal, the possibility it might fail, followed by the certainty of four years in a prison probably even less accommodating than Lodi.

Extract taken from "An Account of the Life and Death of Roberto Calvi," by Rupert Cornwell, published today by Victor Gollancz, price £5.

A first extract was published in Tuesday's FT.

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## EUROPEAN NEWS

## Krakow clashes mark Solidarnosc third anniversary

BY CHRISTOPHER BOBINSKI IN WARSAW

SOLIDARITY supporters from the giant Krakow steel works clashed yesterday with riot police using tear gas and water cannon on the third anniversary of the Gdansk accords which gave birth to the now banned trade union.

The demonstration by up to 10,000 people followed a partial two-hour boycott of public transport called by the underground Solidarity leadership.

In Gdansk, Mr Lech Walesa, the Solidarity leader, kept strictly within the law and laid flowers at the shipyard monument surrounded by several thousand of his supporters at the time the authorities approved.

The city, which was seen as the birthplace of Solidarity, witnessed a massive show of force by riot police yesterday morning. Mr Walesa appealed to the crowd chanting Solidarity slogans to disperse, saying: "That's enough for now - go home." His appeal was very much in line with the moderate approach he has recently adopted.

Last week, he answered government criticisms of Solidarity's record by Mr Mieczyslaw Rakowski, a Deputy Premier, by appealing for talks and declaring that he was in favour of Poland's Socialist system and its present alliance.

In Warsaw yesterday some workers at several large factories, headed the transport boycott call and walked home.

## French put FF 4bn more into public works fund

BY PAUL BETTS IN PARIS

THE FRENCH Government is to support the country's flagging public works industry with a further injection of FF 4bn (£335m) into the special fund for the construction sector. It set up last year. The fund was launched last August with FF 4bn.

The government said yesterday that the money had helped generate public works totalling FF 10bn. It hoped the second tranche would be as successful. The fund is "financed" by a special tax on petrol. This will be increased by two centimes next August to raise the new funds.

The latest tranche, approved

Trans and buses were earlier than usual and fired up quickly at 4 pm as the action ended. The response will enable the underground leadership to claim success although the boycott was by far the mildest of all the tactics chosen since the crackdown on the union in December, 1981.

Many people put off their journeys while others walked. However, the number of passengers on the buses and trams was sufficient to enable the authorities to ignore the protest. Officials were refusing to comment on the day's events but they can be expected to declare them politically irrelevant.

Planned demonstrations in the capital did not take place, but groups of young union supporters gathered in a few places in the centre of Warsaw chanting slogans and marching along the pavement.

The groups, sometimes up to 1,000 strong, dispersed quickly the moment that baton-armed policemen moved in to check identity cards and used loudspeakers to call on people to go home.

Wroclaw, a large city in the south-west and in the past a volatile centre, was reported calm, and there were no incidents reported from Katowice, the country's industrial heartland. Krakow's Nowa Huta steel-working suburb, which has been the scene of fierce riots at regular intervals over the past 18 months, now appears to have become the main centre of militant Solidarity support.

## Genscher attacks SPD on missiles

By Jonathan Carr in Bonn

THE PORTUGUESE Government has taken steps to prepare the country's agriculture for membership of the European Economic Community and to allow private enterprise access to lucrative purchasing areas.

Herr Hans Dietrich Genscher, the West German Foreign Minister, has accused the opposition Social Democrats (SPD) of encouraging illusions in Moscow that Bonn might weaken on Nato's nuclear missiles

now, patchy reforms by post-revolutionary governments have been unable to get to the heart of the problem.

The Soares Government has decided that all public concerns dealing with agriculture or foodstuffs must be restructured. Market forces must govern import policies of concerns like Epac (grain purchasing), Japo (oil seeds purchasing) and others.

These monopolies have borrowed heavily short term on international markets, and their buying policies have frequently been criticised in the past for bad timing and wasted money.

## GOVERNMENT PREPARES FOR EEC MEMBERSHIP

## Lisbon introduces sweeping farm reforms

BY DIANA SMITH IN LISBON

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These monopolies have borrowed heavily short term on international markets, and their buying policies have frequently been criticised in the past for bad timing and wasted money.

The monopolies will now have to face competition from commercial enterprises - a reform promised by the former Balenseuo Government but shelved because of pressure from those determined to keep the monopolies intact.

Technical assistance to farmers will be strongly increased - a long-standing aspiration to a country with 800,000 subsistence farmers in the north and centre using methods which are in some cases centuries out of date.

Furthermore, training schools will be set up for young farmers to help the country prepare for higher standards of farm produce and more productive use of the soil.

The most politically sensitive measure is likely to be the decision to review the area of what the Communists called the agrarian reform - the Alentejo provinces where, the Soares administration says, the situation ranges from unclear to downright illegal.

Past Governments, it considers, turned a blind eye to the problem. The new measures involve more methodical return of parts of the land seized in 1975 to its owners, inspection of the technical and economic positions of remaining collective farms and co-operatives (many of which have disintegrated since their heyday in 1975) and clear poli-

cies for distribution on non-occupied or non-nationalised land to small farmers.

The fourth effort in three years to refloat the capsized container ship, Tonnar, wedged in the mud of the River Tagus since 1980, failed, before a huge crowd of local onlookers on the river bank. The crowd, eagerly buying soft drinks and food as if they were at the circus, waited long hours to see the task of engineering that never came.

The German salvage concern Seafit brought in giant cranes and sophisticated equipment to try to raise the Tonnar, which is a danger to shipping and an eyesore.

## Norway in new bid to right rig

By Fay Gjester in Oslo

THE SECOND Norwegian attempt to upright the capsized hotel platform Alexander Kielland, due to start today, has had to be delayed until tomorrow because of equipment problems.

The first attempt three years ago was called off on safety grounds, and the rig has been moored upside down in the Gands Fjord.

## Basque flood damage may exceed \$3bn

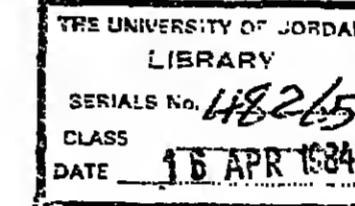
BY TOM BURNS IN MADRID

PROVISIONAL estimates of the damage caused to San Sebastian's Guipuzcoa province by the recent catastrophic flooding total Pta 35bn (\$235m) according to local authorities. Initial estimates in the neighbouring Vizcaya province, where the heavily populated Bilbao area was the hardest hit by last weekend's torrential downpours, are in excess of Pta 500bn (\$3.6bn). The death toll is put at 36 but could be

higher. Both provinces, as well as parts of the inland Basque provinces of Alava and of the Cantabrian region west of Vizcaya, were due to be formally declared disaster zones by the Government yesterday. The cabinet was meeting to review direct aid to the local authorities and to establish guidelines to protect an estimated 26,000 jobs threatened as a result of the floods.

A political side effect of the catastrophe has been the easing of tensions between the Basque authorities and the central Madrid Government. Madrid commentators claimed that the army and the security forces have earned themselves a new image among the Basques through their salvage work in the past days and that recent confrontations over the use of Basque and Spanish flags appear to have been forgotten.

The flooding moreover provided the opportunity for King Juan Carlos and for Prime Minister Felipe Gonzalez to tour the Basque region. In an adroit move, the Madrid Government smoothed over friction with the Basque regional government by channelling all aid through the Basque executive leader Carlos Garaikoetxea, who has been coordinating the rescue work.



## France tightens control of illegal immigrants

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government, amid signs of an increase in racial tension, approved new measures yesterday to stamp out the employment of illegal immigrant labour.

The new measures are principally aimed at halting the illegal flow of workers from the Maghreb countries - Algeria, Morocco and Tunisia - who provide cheap labour in large cities and on farms.

At the same time the Government also sought yesterday to reassure France's established immigrant population of about 4m with fresh programmes intended to smooth their integration into French national life.

Reflecting the Government's much tougher attitude over immigration, President Mitterrand told the weekly cabinet meeting: "Illegal immigrants must be sent home." Among new steps to be introduced are tighter controls over foreigners residing in France and speedier expulsion of those without proper authorisation; sharply increased fines for employers taking on illegal immigrant labour, and new limits on

## Record Italian jobless

BY JAMES BUXTON IN ROME

ITALY's official unemployment rate is continuing to rise, according to figures from the government statistical institute Istat. Unemployment in April was fractionally short of 10 per cent of the labour force, a record figure.

Out of a total workforce of 22.9m, some 2.26m are in search of work. Of these, no less than 1.24m are looking for their first job. The statistics show that the number of those out of work last April - the latest month for which official statistics are available - was 104,000 higher than the year before, and that the total number of those employed had dropped by 87,000 in the same period.

The trend, however, is probably more important than the figures themselves. It confirms what one would expect from an economy showing no sign of emerging from recession, with industrial production down 7.7 per cent in the first half of this year compared with the same period of 1982.

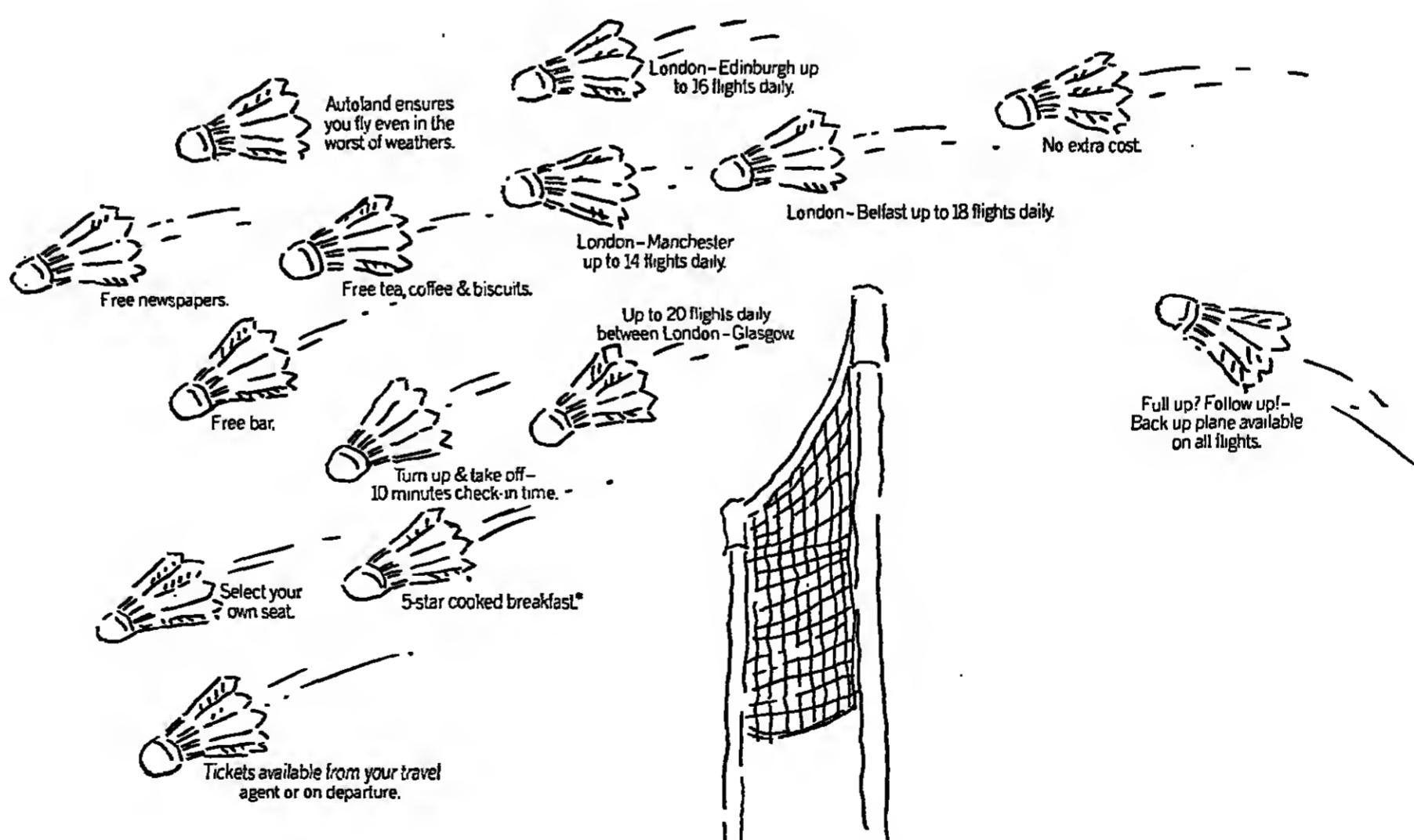
Italian unemployment figures tend to reflect the fact that the unemployment benefit is low, especially for those who have never

worked before, not all those who are unemployed actually register.

At the same time, most companies, instead of sacking redundant workers, put them almost permanently on the state-assisted lay-off scheme, the use of which increased by 20 per cent in the first half of this year. Those on the scheme, which also caters for workers on short-time, are not included in the unemployment figures but would swell them by several hundred thousand if they were.

To confuse the picture still more, many of those unemployed or laid off may be working at other jobs in the submerged economy. Although the true extent of "black" employment is not known, a research organisation attached to the Italian Communist Party recently estimated that, despite recession, only about 300,000 of Italy's 2.2m unemployed were without any job or occupation at all.

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## OVERSEAS NEWS

**NZ cuts payments deficit**

WELLINGTON—New Zealand had a balance of payments deficit of NZ\$287.8m (£383m) in the year ended July 31, compared with NZ\$1.56bn deficit in the year ended July 1982 and a NZ\$7.18m deficit in the year ended July 1981. The Reserve Bank of New Zealand said yesterday. Reuter reports from Wellington.

The bank says export receipts were 13 per cent higher than the previous year ended in July. Forest products continued to be the only category to record a deficit. Net receipts were up 14 per cent.

As a result, the trade surplus improved from NZ\$127m for the year to July 1982 to NZ\$1.268bn for the year to July 1983.

There was a net official capital inflow (including IMF transactions) of only NZ\$1.56m in the year ended July, compared with one of NZ\$1.936m the previous year.

**Uranium mine arrests**

Australian police arrested at least 75 anti-nuclear demonstrators at a mine on the site of the world's largest known uranium deposits yesterday. Reuter reports from Adelaide. They moved in when 200 protesters, camped about one mile from the shaft of the Roxby Downs Mine in South Australia, tried to block a bus carrying workers.

**China 'tax holiday'**

CHINA will extend the tax holiday it offers foreign companies in certain newly established joint ventures in the country to five years from three. Mr Li Peng, Vice-Minister of Finance, said.

The preferential treatment will apply to those newly established ventures involving Chinese and foreign partners which have a life of at least 10 years. Reuter

**Levy refuses to step down in battle to succeed Begin**

BY DAVID LENNON IN TEL AVIV

THE CENTRAL Committee of the Right-wing Herut Party is due to meet tonight to elect a new leader of Israel's ruling Likud bloc.

This follows the failure of the party leaders to agree on a single candidate to replace the Prime Minister, Mr Menahem Begin, who has announced his decision to resign.

David Levy, the 45-year-old Deputy Prime Minister and Housing Minister, rejected calls from the Herut Party leadership to withdraw his challenge in favour of 68-year-old Mr Yitzhak Shamir, the Foreign Minister.

The issue will now have to be brought before the party's central committee, where Mr Levy believes he has more support than Mr Shamir, who is the first choice of the party

leaders.

A very stormy session of the central committee of the Herut Party, which dominates the Likud bloc, is in prospect as the old guard battles to prevent the election of the youthful David Levy.

Whoever wins the leadership battle will face a major struggle to reconstitute the existing coalition. Yesterday four members of the Likud faction announced that they would only support a new National Unity government, which included representatives of both the Likud and the opposition Labour Party.

The current coalition controls 64 of the 120 seats in the Knesset, and would find it extremely difficult to survive for long with the support of only half the House.

Although the coalition still has almost two years left of its four-year term, the elections may have to be advanced to early next year.

Mr Begin, whose decision to resign created the current political turmoil, has not played any role in the succession stakes. Alides quoted him as saying: "The world says that 'Israel is a republic, and the position of premier is not mine to bequeath to others.'

The stature of the outgoing premier has played an important role in keeping together the coalition of disparate and often warring factions. With his pending disappearance from the scene, the bonds holding the coalition together are clearly beginning to loosen.

**Singapore union drops challenge to minister**

By Chris Sherwell in Singapore

SINGAPORE'S important petroleum industry union yesterday abandoned its attempt to defy Government plans for the introduction of Japanese-style "in-house" unions.

The decision, by the executive committee of the United Workers of Petroleum Industry, ends a growing confrontation between the union and the newly appointed leader of Singapore's labour movement, Mr Ong Teng Cheong.

Mr Ong, also now Minister without Portfolio, but a former Minister for Labour, replaced Mr Lim Chee Onn, who was dismissed by Mr Lee Kuan Yew, the Prime Minister, in April.

The petroleum industry union was widely viewed as presenting Mr Ong with his first major test. The union had passed a resolution in July effectively banning its members from organising in-house unions, thereby challenging the authorities' efforts to curb industry-wide unions.

Yesterday's meeting rescinded the July resolution, and if, as seems likely, the workers themselves confirm this decision, in-house unions will be created in the petroleum industry.

The Singapore Ministry of Finance has released a list of companies in which the Government has equity participation, AP-DJ reports.

The list, believed to be the first such officially released, includes both private and listed concerns. Included are three wholly-owned holding companies, including Temasek Holdings.

The Government also listed stakes in seven quoted firms. These included a 12.9 per cent stake in Acma Electrical Industries; 19.7 per cent in National Iron and Steel Mills; 16.5 per cent in United Industries Corp.

**Over 1m attend Aquino funeral**

MORE THAN 1m Filipinos turned out yesterday for the funeral of Mr Benigno Aquino, the opposition leader assassinated on August 21, in a display of grief which developed into a peaceful demonstration of opposition to President Ferdinand Marcos, Reuter reports from Manila.

The garlanded coffin, borne on a 10-wheel truck, inched

along a 15-mile route from the Aquino family parish church in North Manila to a cemetery south of the capital.

The crowds surged along-side, between, before and behind the cavalcade of mourners in a procession that stretched for nearly two miles and halted traffic in much of the city centre.

The journey took nearly 12 hours. Some of the mourners carried placards reading: "No

Reconciliation Under the Marcos Regime," "Never, Aquino's nickname" You Are Not Alone" and "Marcos, You Are Alone."

Police kept a deliberately low profile, though riot squads were on standby in case of trouble. By nightfall, with the cortège still moving at little more than a walking pace, no serious incidents had been reported.

**Sind university shut after clash**

KARACHI—Pakistan's military government has closed a university in the troubled province of Sind after students occupying the highway, opposition officials said.

The students, supporting a civil disobedience campaign launched by an opposition alliance known as the Movement for the Restoration of Democracy (MRD), kept up the blockade for four hours.

In Hala, north of Hyderabad, about 30 people were injured in a clash with police after a truck accidentally veered into a large crowd marching along a highway. Several people were also injured in the accident itself.

The crowd later attacked a post office and two banks in Hala before their religious leader, Mukhdoom Taliul Maula, who has led several protests against Pakistan's martial law, appealed to them to disperse peacefully.

Opposition spokesmen said more than 34 people had been arrested in demonstrations in Sind on Tuesday. Reuter

**Algeria lives within its means**

BY FRANCIS GHILES

ALGERIAN LEADERS can be forgiven for affecting a calmer air than most of their Opec or Third World peers. The \$5 cut in the price of crude oil agreed earlier this year could cost the country between \$1bn-\$2bn (£566,000-£1.3bn) in lost revenue in 1983 but that would not have a dramatic effect on the country's external finances.

Two factors explain why consistent policies over the past decade have significantly reduced Algerian dependence on exports of crude oil.

These exports are unlikely to account for more than 20 per cent of its foreign earnings this year. Crude oil is increasingly being replaced by natural gas, refined products, condensates and liquefied petroleum gas.

The ability of Sonatrach, the state oil and gas monopoly, to tailor its product mix to changing world demand has been a crucial factor in allowing the company to limit the decline in its foreign earnings.

Over the past eight years, foreign earnings have declined from a record \$14.1bn in 1981 to \$12.7bn in 1982.

The second factor was the decision taken in 1979 that increased foreign borrowing was no solution to Algeria's problems. The reappraisal of earlier economic development plans ushered in after President Chadli Benjedid came to power four years ago highlighted a number of problems and brought a shift in emphasis in many sectors.

Its major conclusion was that the previous concentration on investment in heavy industry had resulted in what the new

total imports this year will amount to no more than Dinars 46bn (£6.3bn), a 5 per cent decline on last year's figures.

When Sonatrach raised \$700m this spring, the first such operation for an Algerian borrower in over three years, the warm reception afforded the loan, despite very fine terms which included a split spread of 1.8 per cent for eight years, with three years' grace, amounted to a show of confidence.

Algeria has always been very concerned when it comes to publishing debt figures, but reasonably accurate estimates suggest that had foreign borrowing not been limited in 1979 the country would be travelling the same path to the IMF which many other Third World countries have in recent months.

The total foreign debt rose to \$26bn in 1980, \$15bn of which was drawn down. The total debt is now estimated to have declined to around \$20bn, of which maybe \$17bn has been drawn.

This year marks the peak repayment year on the large amount borrowed in the 1970s, \$4.3bn, a figure which could double the debt service ratio at a percentage of exports of 37 per cent, if the country's hard currency income declines to \$11.5bn. Thenceafter repayment declines to \$2.8bn in 1986.

Algeria continues to cut its cloth to suit its cloak and not just where foreign borrowing is concerned. Instructions to slow down certain imports, notably in the consumer goods sector, were issued last summer and

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## COMBINED PRELIMINARY AND QUARTERLY REPORT

(Unaudited Group Results)

	Quarter ended 30.6.83	Quarter ended 31.3.83	Comparative quarter previous year	Twelve months to 30.6.83	Twelve months to 30.6.82
Tons sold ('000)	2,172	2,331	2,205	8,887	8,103
INCOME	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Net income from mining and allied activities	4,972	4,297	6,234	18,439	20,677
Add: Other income	1,406	1,061	799	4,171	1,436
Deduct: Amortisation of mining assets	5,998	5,358	7,031	22,610	22,113
Deduct: Provision for taxation	5,739	5,199	6,883	21,974	21,513
NET INCOME AFTER TAXATION	3,247	2,798	3,785	12,002	11,655
CAPITAL EXPENDITURE	419	45	207	2,453	8,222
Number of shares issued ('000)				10,998	10,998
Earnings per share (cents)				119	115
Interim dividend (cents per share)				32.5	27.5
Final dividend (cents per share)				60.0	47.5
Total dividend (cents per share)				92.5	75

## Notes:

- Dividend No. 140 of 60 cents per share was declared on 1 June 1983 and was paid on 10 August 1983.
- Tons sold during the quarter dropped at Coalbrook Collieries due to lower Eskom mining and allied activities increased in line with sales tonnage and lower unit costs at New Clydesdale Colliery.
- Sundry income was higher due to additional interest and a dividend from Mafisa Coal Limited.

On behalf of the Board  
D. GORDON |  
S. P. ELLIS | Directors  
Johannesburg, 1 September 1983



## Highland Dress

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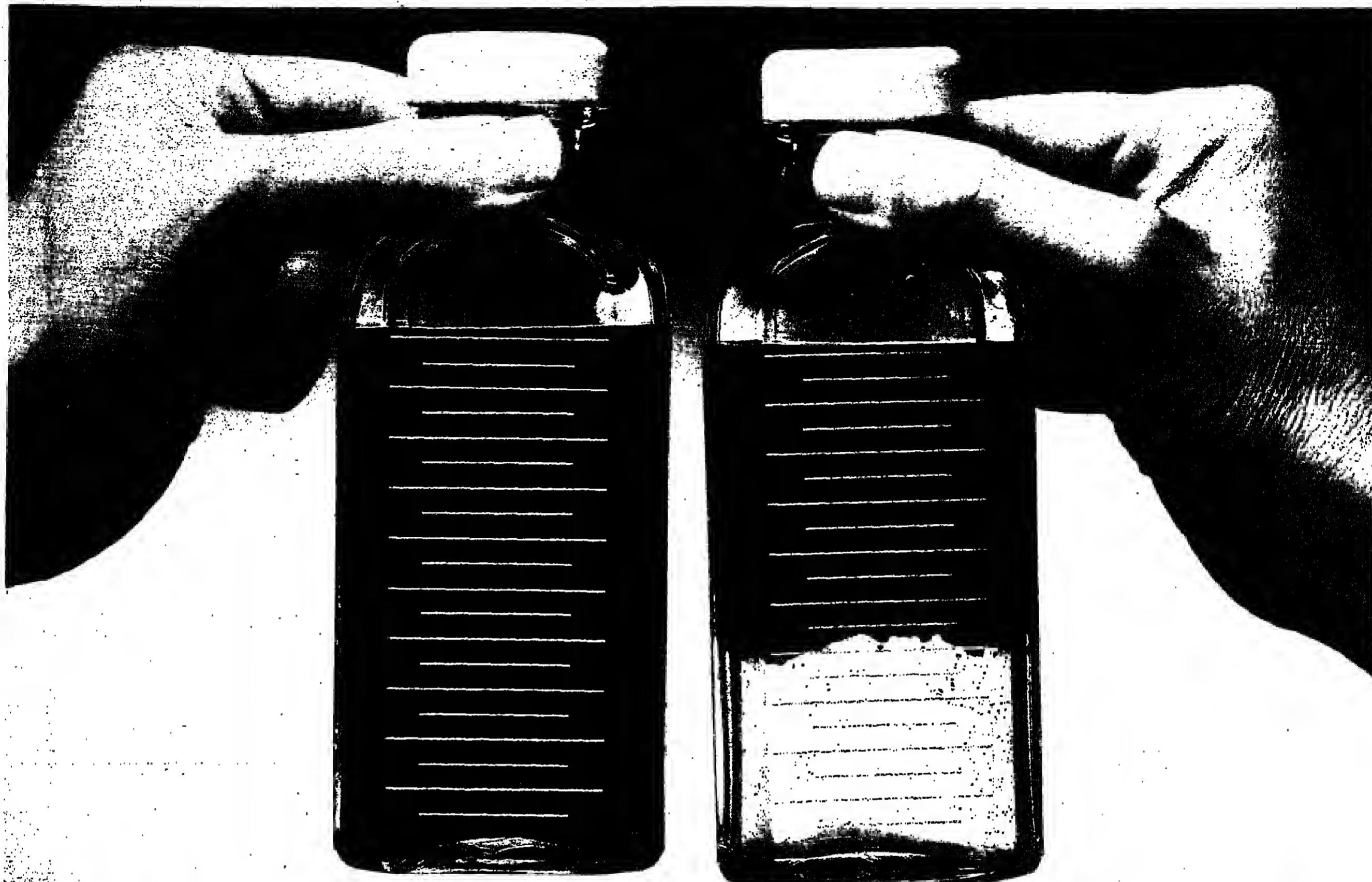
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## WORLD TRADE NEWS

## Securicor in lead for Pakistan security deal

By JOHN ELLIOTT, RECENTLY IN KARACHI

**TWO INTERNATIONAL** security organisations are competing for a major contract to provide Pakistan banks and businesses with the country's first armoured protection system for cash in transit and for commercial premises.

Securicor of the UK is in the lead and is due to start operations in Pakistan next January, expanding later into a Pakistan-staffed operation in the Middle East. But Brinks of the U.S. has recently become interested and hopes to wrest at least some of the business from Securicor.

Security services are rare in South Asia where banks are generally guarded only by eldritch watchmen, often armed with ancient weapons. Banks close early so small businessmen store their takings at home overnight. Robberies are commonplace and banks are raided during civil disturbances such as the current unrest in the province of Sind.

President Zia's martial law regime in Pakistan has had some reservations about allowing a foreign-based company to

provide a force of armed guards that might eventually straddle the country. But Pakistan banks urgently need increased security and the country's police are already overworked maintaining law and order.

Securicor has also won extra support from the martial law regime by offering to employ former police and army staff in its operations.

Both Securicor and Brinks have obtained permission from Pakistan's Investment Promotion Bureau to set up local companies.

Securicor's company—called Securicor Pakistan—will start with Pakistan rupees 10m (£250,000) capital. It will be 40 per cent owned by the British parent company (which had hoped for a 49 per cent stake but was knocked down by the government), 30 to 40 per cent by Mr Mumtaz Khan, a Pakistani businessman living in London, and 30 to 30 per cent by Bankers' Equity, one of Pakistan's state-owned financial institutions which will be one of the main customers.

Brinks' local partner will be

Phoenix Commercial, a Karachi-based trading house, and possibly a financial institution.

All Pakistan's banks are state-owned and the final decision about employing one of the security companies rests with the Pakistan Banking Council, a government-controlled body which watches over the banks. Both Securicor Pakistan and Brinks want to start their security operations in the country with a potentially lucrative banking business, moving into other areas later.

They are now awaiting the verdict of the council which has to decide whether to tell the banks to employ only one of the companies, or to split the work between them, maybe on a geographical basis.

Securicor Pakistan's interest in setting up subsidiary operations in the Middle East coincides with plans drawn up by the British parent company for expansion in that area.

Pakistan has strong political ties with the area, particularly Saudi Arabia, and already provides some guard services to ruling families.

## Germany to boost export insurance

By JOHN DAVIES in Frankfurt

A CHORUS of protest is growing against the West German Government's plan to raise the cost of export credit insurance, but ministers are determined to press ahead with an increase.

However, the Government has indicated it will consider flexible measures to try to ease the burden on exporters who are in particularly severe difficulties.

The West German group that raised its voice against an increase in insurance costs is the Association of Engineering and Process Plant Manufacturers (VDMA), which has warned of a sharp fall in export orders this year.

In these circumstances it is completely misplaced to add to industry's costs through dearer insurance, the association says.

The industry's inflow of orders in the first half of this year was only DM 6.7bn (£1.7bn), while the last four quarters produced a total order inflow of only DM 14.7bn, down 41 per cent on a year earlier.

The VDMA said that because of the desperate state of world markets, no German companies had received a major order of over DM 200m so far this year.

German exporters were already labouring under high costs and had to cut staff and put workers on short time, the association said.

Despite such pleas, the government is insisting that export credit insurance costs be raised because of the likelihood of higher payments on bad debts abroad.

It has estimated that Hermes, the privately run insurance group which administers Germany's export credit insurance—faces pay-outs of over DM 1bn a year during each of the next few years.

Payments rose sharply last year to DM 930m from DM 770m in 1981.

Hermes' income from insurers' fees and from delayed recovery of debts actually covered the pay-outs last year, leaving over a surplus of DM 31m.

Hermes provides export credit insurance on about 10 per cent of West Germany's sales abroad.

## World oil industry finds it harder to replace reserves

By RAY DAFFER, ENERGY EDITOR

THE WORLD oil industry is finding it increasingly difficult to replenish its diminishing reserves, according to the U.S. Geological Survey. As a result most nations need to begin planning for alternative energy sources, engineers were told at the Survey's 20th World Petroleum Congress in London.

The Survey points out in a paper to the Congress that for the past decade world reserves of oil have been declining.

The rate of oil discovery has been slipping for the past 15 years.

Eighteen engineers conclude

there was a good chance

of a 90 per cent probability

of between 45bn tonnes and 202bn tonnes of recoverable oil being discovered in future years.

The study concluded 79bn tonnes

is the world's ultimate recoverable oil

oil in the ground.

Some 40 per cent of this oil is

believed to be in the Middle

East.

According to the report there

are no new exploration areas

in the world which are likely

to significantly change the pre-

sent pattern of oil distribution

dominated by the Middle East.

In order to find a further

79bn tonnes of oil, the industry would have to undertake a "massive" exploration programme.

Most of the new oil would come from the unexplored Arctic deep water, together with other frontier areas, which could contain significant resources.

The report concludes that while there is an immense quantity of oil still to be recovered—quite apart from unconventional oil like tar sands and shale—the world's capacity for consumption was also potentially enormous. "There is no room for complacency."

In a paper presented by Esso researchers, the 2,500 conference delegates were told that by the mid-1990s motor-cars would be "lighter, lower and leaner." Up to a quarter of the cars would be diesel-powered while the popular car of the time was likely to have a fuel consumption of more than 60 miles per gallon.

## UK team set for Florida despite tax law change

By Frank Gray

THE LONDON Chamber of Commerce will go ahead with a trade mission to Florida despite its objections to that state's new tax laws, introduced at the start of foreign trade.

The tax laws, known as "military taxation," goes into effect in Florida today, to 11 of the number of U.S. states with such legislation.

The chamber, Europe's largest private chamber of commerce, has protested against the law, which allows states to calculate taxes on subsidiaries of foreign companies based on their corporate earnings rather than on their earnings within the state.

The chamber left the door open to an alternative version of the tax, saying that just four states had applied to go on the Florida mission, set to take place November 5-13. The cutoff date for application is October 3. Meanwhile, the chamber's North America committee is to meet September 22 to discuss the tax issue.

Alarm that the new tax law might affect the mission was sounded in Florida on Tuesday by Mr Ben Atkins, a regional tax authority director who was in London earlier this month to boost support for the visit.

## Egyptians to make Zanussi products

ZANUSSI, Italy's leading manufacturer of "white goods"—domestic electrical products—has made two important production agreements in Egypt, James Buxton writes from Rome.

The Egyptian state-owned Delta Industrial Company is to make Zanussi washing machines and fridges frozen under licence and a private-sector Egyptian company named Electrostar for Refrigeration, is to build a new plant on the outskirts of Cairo to make Zanussi two-temperature fridges.

## Rapid switch to robots expected in Singapore

By Chris Sherwell in Singapore

MORE THAN 5,000 robots of various types may be needed by Singapore's growing industries over the next ten years, according to a survey just published by the city state's Economic Development Board.

The outcome of the survey suggests that Singapore, because of its commitment to using high technology in its industrial development, may become an important market for robot manufacturers over the next decade.

The survey, conducted in May and covering 1,300 manufacturing companies in all sectors, indicated that up to 2,700 robots would be wanted in the next five years and between 3,200 and 5,300 by 1993.

More than 200 manipulators and over 100 reprogrammable robots of various types are already being used by about 70 companies in Singapore.

## U.S. steel imports rise 27% in July

By TERRY DODSWORTH IN NEW YORK

THIRD WORLD steel importers to the U.S. are grabbing an increasing share of the market as demand recovers for products going into consumer durable industries.

Figures released by the Commerce Department show that the decline in steel imports registered over the first six months turned round dramatically in July, when they rose by 27 per cent over the same period last year.

Imports from the EEC, however, have remained well down on last year because of the formal quota restrictions, while Japanese shipments have also fallen, following an informal agreement on restrictions. In the first seven months of this year, on the other hand, imports from Third World countries rose by almost 30 per cent to 3.1m tons.

The figures are certain to add to the vigorous campaign being mounted by the U.S. steel industry against steel dumping from developing countries. A number of trade complaints have been filed against Brazil, South Korea, Argentina and Venezuela. But the industry is complaining bitterly about the slow pace of progress in these inquiries.

The main upturn in U.S. steel demand has come from the motor industry and electrical equipment manufacturers, particularly for sheet and strip products. Sales were roughly 11 per cent ahead in these sectors over the first six months. But in the capital goods industries, which account for about two-thirds of steel shipments, volume is still down on the depressed levels of last year.

Payments rose sharply last year to DM 930m from DM 770m in 1981.

Hermes' income from insurers' fees and from delayed recovery of debts actually covered the pay-outs last year, leaving over a surplus of DM 31m.

Hermes provides export credit insurance on about 10 per cent of West Germany's sales abroad.

## Danes win permission to sell insulin in U.S.

By HILARY BARNES IN COPENHAGEN

NOVO, the Danish pharmaceutical and enzymes manufacturer, has received permission from the U.S. health authorities to market its human insulin in the U.S., an important breakthrough for the Danish company, which is a leading exporter of insulin, claiming 30 per cent of the market in the non-US market worldwide.

Novo is now able to sell human insulin in 10 countries—the U.S., eight European countries, and Malaysia.

So far, sales of human insulin, which began in Europe last year, have built up slowly. Mr Sonnich Ryland, sales director, said.

But, since Novo set up a joint sales and marketing company in the U.S. last year, with Soulbis, the U.S. pharmaceutical company, Novo's insulin sales in the U.S. have developed rapidly.

The combination of Novo's highly purified insulin and Soulbis' sales and distribution power has enabled Novo to increase its share of the U.S. market from an estimated 5 per cent two years ago to over 20 per cent today.

The Novo human insulin is

made by an enzyme-based process by which purified insulin is chemically modified to give it the same molecular structure as insulin produced by the bovine body.

The human insulin has achieved a 16 per cent share of the Novo insulin sold in Ireland, and a slightly smaller share in the West German market, but in the U.K. the share is still in "low single digit figures," said Mr Fryland.

©A MAJOR Norwegian shipping group and a U.S. oil concern have agreed to establish a joint venture company to operate a large fleet of offshore supply vessels in the Gulf of Mexico, Fay Giesler writes from Oslo.

The deal is between Norway's Wilh. Wilhelmsen and Tennessee of the U.S. The new company, Argosy Off-Shore, will meet part of Tennessee's requirements for supply ship services to its 120 oil installations in various parts of the Gulf.

Argosy will start operations on October 15, from headquarters in Lafayette, Louisiana.

Its senior staff will consist largely of experts seconded from Wilh. Wilhelmsen's Oslo head-quarters.

In such a situation, even small countries which see their interests clearly can exercise a powerful influence in such a situation.

In the Kingdom of the Blind: A Report on Protectionism and the Asia-Pacific Region, Trade Policy Research Centre, 1 Cough Square, London EC1Z.

## Buyers in line for computer maker

E

IGHT

UK computer companies have expressed an interest in Grundy Business Systems, the micro-computer manufacturer, which is to go into liquidation.

The company, which is 30 per cent owned by the British Technologic Group, is believed to have an order book in the region of £1m.

Mr Anthony Wheeler, Grundy finance director, declined yesterday to comment on the size of the company's debts.

Grundy ran into trouble because of its success with the NewBrain computer designed by Sir Clive Sinclair.

The computer, launched in July last year, became one of the best-selling micros in the UK after only five months. When demand exceeded production, Grundy expanded output only to find that sales were declining.

"This led to severe cash flow problems and an unacceptable high level of component stocks and completed NewBrain," the company said in a statement.

Efforts were made to get new finance for working capital and to fund technical developments, but failed.

© PROSPECTS of the defunct De Lorean sports car plant in Belfast being used by Sir Clive Sinclair's Sinclair Research company to produce electric cars appeared to strengthen yesterday. Sinclair said it was extending its option to acquire plant and machinery from the De Lorean receivers, and was continuing discussions on use of the site.

© TWO THIRDS of Britain's leading companies believe they will have executives working from home by 1988. Already more than 20 per cent of companies with sales exceeding £500m a year have executives working from home using professional personal computers, according to a survey of the organisers of the International Business Show.

© SHELL UK is studying schemes which could cost well over £1bn to recover further oil from its North Sea fields. Between 570m and 855m barrels of additional oil could be recovered by using advanced production techniques. But Shell says the projects are technically risky and extremely expensive.

## Caterpillar shuts factory with loss of nearly 1,000 jobs

By LYNTON MC LAIN

THE LOSS-MAKING U.S. Caterpillar Tractor company is to close its earthmoving equipment factory at Birtley, Tyne and Wear, on the north east coast of England, with the loss of almost 1,000 jobs.

Some production of bulldozers, dump truck bodies and components for heavy plant will be transferred to the company's works at Glasgow Scotland, and possibly to Leicester when the Birtley plant closes next year. It seems likely that the Glasgow plant will then

have to source some components abroad.

A stump in orders for construction plant and equipment, excess capacity at the Glasgow and Leicestershire works and the need to consolidate UK manufacturing operations left Caterpillar "no choice but to close the Birtley works," Mr Robert Burrough, the plant manager, said yesterday.

Caterpillar Tractor is the world's largest producer of earthmoving, construction plant and materials

handling equipment, but it has been hard hit by two years of slim order books, intense competition in world markets, intense competition in world markets and a six month strike at its U.S. factories which ended in April.

These factors contributed to a deficit of £180m on sales of £6.47bn last year, its first loss for 50 years.

The company again operated at a loss in the first half of this year, losing £264m after tax on sales of £2.5bn.

Caterpillar has forecast a profit next year after a likely deficit for the whole of the present year.

Buyers in line for computer maker

By RICHARD JOHNS

THE CENTRAL Electricity Generating Board's (CEGB) commitment to purchase coal will be cut from 75m to 60m tonnes in the year from November under an agreement reached yesterday with the National Coal Board (NCB).

## FINANCIAL TIMES SURVEY

Thursday September 1, 1983

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## Four-wheel drive

## Battle for Far East markets

By Kenneth Gooding  
Motor Industry Correspondent

ONE OF the most intriguing developments ever seen in the light four-wheel-drive business took place in May when the American Motors Corporation, nearly half-owned and managed by Renault of France, acquired a substantial shareholding in the British Jeep Corporation based in Farnham, Surrey.

AMC's chairman, Mr Paul Tippett, says that his company hopes to break the grip the Japanese have established on the Far East four-wheel-drive markets by combining American know-how to improve Belling's product and productivity with the 80 cents-an-hour labour costs in China.

AMC paid \$8m cash and \$8m in technological know-how for a 31.6 per cent stake in Beijing and will re-invest its profits to take the holding up to 49 per cent, leaving the Government as major shareholder.

Beijing currently produces about 20,000 all-wheel-drive, civilian vehicles a year based on a British design which dates back to the 1950s.

AMC plans to update the existing model and then to introduce as quickly as possible a vehicle based on its new, lighter-weight CJ Jeep. At first engines and other components will be sent from the U.S. but the object is to have every part made in China eventually.

In any case, AMC reckons it can at least double the Beijing output within three to four years. To put this into some context, the world's best-selling four-wheel-drive vehicle, the Toyota Land Cruiser, had an output of 130,000 last year while in Britain Land Rover turned out just over 53,000.

Mr Tippett says the Beijing vehicles will be exported throughout the Far East and Australia and there might be some assembly of Chinese kits in other countries where they insist.

Four years ago Japanese manufacturers were contributing nearly 40 per cent of the world's output of light four-wheel-drive vehicles. By 1981 their share had jumped to nearly 50 per cent.

1981 was the year that the all-wheel-drive output of AMC, whose Jeep started the whole business, was overtaken by that of Toyota, biggest of the Japanese vehicle groups.

Seven of the nine Japanese car companies are in four-wheel-drive production. While most automotive manufacturers still view it as an operation outside their mainstream activities, the Japanese perceived that the all-wheel-drive vehicle gave them the chance to gain a foothold in some developing countries where imports of built-up cars are restricted but utility vehicles were more acceptable.

## Prepare

By sending in some four-wheel-drive vehicles, the Japanese makers were able to set up the semblances of distribution networks and prepare for the time—perhaps decades away—when they could follow through with ordinary cars.

The growth of the Japanese market share was due also to a collapse of demand for four-wheel-drive vehicles in the U.S. while, in the early, pre-crash days, it reached its peak with ordinary cars.

The new Jeep, lighter and much less thirsty than its predecessor, has been designed to sell throughout the world. A major objective is to re-establish ourselves in export markets and get some of the growth in the non-U.S. markets says Mr Roy



Above: Wood and Pickett's version of the Mercedes-Benz G-wagen, and (right) the Toyota Tercel estate car



European and American manufacturers are fighting back against Japanese domination of the sector. An increasing number of makers is now producing a variety of four-wheel drive cars and runabouts which are winning new customers outside the utility and military markets

Lunn, a British-born vice-president for AMC.

Renault can help by making its strong dealer network available.

By 1981, light four-wheel-drive output in the U.S. was down to only 371,000 vehicles, giving the States just 35 per cent of worldwide production totalling 1,065,000.

Output of AMC had dropped that year to 144,000 from 270,000 at the peak.

But, as the Beijing deal shows, the Americans are fighting back.

While Renault has been developing cars suitable in the U.S. to replace the ageing AMC range, the American company has been able to use its expertise to produce a Jeep which is "new from end to end" and due to be launched this coming autumn.

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Iberica cannot keep up with home demand. Ultimately, Nissan hopes that two-thirds of output will be exported.

How this will affect Land Rover's 49 per cent-owned associate in Spain, Land Rover Santana, remains to be seen but it will not make life any easier.

Santana has been producing about 17,500 vehicles a year, from kits sent from Britain. By agreement with BL, Santana is supplying those export markets traditionally associated with Spain — North Africa is the prime example.

So far, in spite of the problems — which ended only recently — of exporting from a British base in the face of an over-valued pound, Land Rover has substantially maintained its position in those markets and in those sections of the four-wheel-drive business in which it is represented.

For just as with cars and commercial vehicles, there is really no such thing as a "four-wheel-drive market". In its own way it is fragmented as the market for — and now includes — passenger cars, a trail blazed by Japan's Subaru.

However, the most solidly-based part of the market has proved to be the workhorse sector which, in 1981, accounted for about 308,000 vehicles of which Land Rover, including Santana in Spain, took over 20 per cent or 65,000 vehicles.

Part of Land Rover's strength is that its long-standing customer base such as the forces and the police have stuck to the British vehicle in spite of the handicaps of the Japanese who mainly have had to make do with sales to private individuals.

However, for strategic reasons, those countries in the West with their own major car makers prefer to buy from a national company and this has

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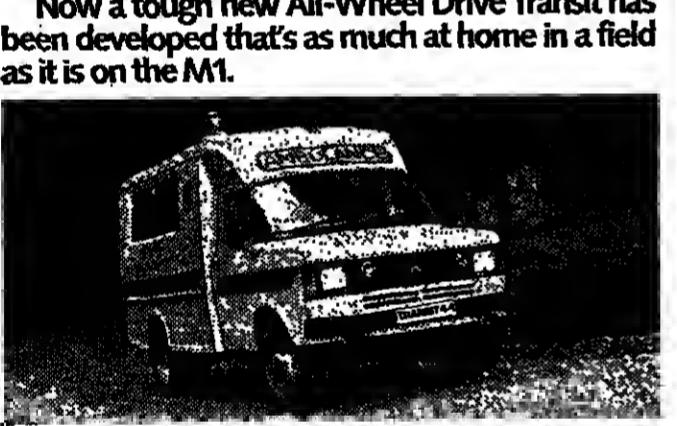
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## FOUR-WHEEL DRIVE II

## Profitable plant opening new markets

LAND-ROVER is one of the very few self-contained businesses within the BL group which consistently has made profits.

That alone would have put it towards the top of the list of BL operations ripe for privatisation drawn up by the Government.

If you add the fact that the company is practically self-sufficient, buying only a few steel pressings from other BL plants while being a major supplier of gearboxes and engines to other manufacturers, it comes as no surprise to find that the Government a year or so ago was lining Land-Rover up for sale.

Sir Michael Edwards, chairman of BL at the time, revealed in the recently published memoirs of his five-year stint with the group that it had required the services of not one, but two merchant banks to convince the Government that selling off Land Rover

## UK—the Land Rover development programme

would have been counterproductive.

Eventually, Mrs Thatcher and her ministers reluctantly had to accept that the Government would have had to pump even more money into BL if Land Rover was sold, taking its healthy cash flow with it.

Today BL executives still argue that it would be better to concentrate on bringing the whole of the BL's commercial vehicle operations back to good health before looking for a buyer or buyers for the complete business.

The Land Rover operations are grouped with those of Leyland's bus and truck interests

into the Land Rover-Leyland subsidiary headed by Mr David Andrews, one of BL's two chief executives. The Land Rover company includes Range Rover manufacturing and, more recently, the Sharpie van-making operations were incorporated in a subsidiary named Freight Rover.

## Hostile

Last year was an extremely difficult one for Land Rover.

"The environment was

hostile at any time in our history," according to Mr Tony Gilroy, the new managing director—and as a result, while the company continued to be

profitable, its earnings remained at an unsatisfactory low level."

In 1982 Land Rover increased output and maintained export sales at £50m in spite of that "hostile environment". An additional £100m was earned from the sale of spare parts.

Total vehicle output moved up from 51,500 to 58,140 last year, consisting of 39,900 Land Rovers (down from 41,060 in 1981), and 18,235 Range Rovers, up from 10,440 the previous year.

Mr Gilroy says the success of the four-door version of the Range Rover, introduced last year, helped lift output of that vehicle to the highest-ever level of 300 a week. Two years ago production was scarcely 200 a week.

Land Rover exports roughly 80 per cent of its British output and its vehicles are sold in 120 countries. Local assembly takes place in 21 countries, with the

main plants being in Australia, New Zealand, Nigeria and Spain.

Last year, exports to many traditional markets in Africa and the Middle East were cut significantly because of financial problems in some of the countries in those areas.

However, Land Rover has been opening new export markets in the past two years. The Libyan, Indonesian and the Philippines markets were opened up for the first time and sales to Algeria increased substantially.

"We had no significant presence in any of those countries before 1980," Mr Gilroy says.

Like much else within BL, Land Rover was suffering from a desperate lack of investment four years ago when it was split away as a separate entity within the group. At that time Mr Mike Hodgkinson became managing director and stayed until the end of 1982 when he moved to the Watney Mann brewing business.

## Strategy

When he arrived at Land Rover, Mr Hodgkinson found the company already bad a £500m investment programme ready to go ahead under the terms of the strategy laid down for BL in the 1975 plan drawn up by Lord Ryder and his team.

But by the time this was formally announced in 1978 it had already been pushed to £510m and today, it is clear the final bill will be about £200m, even though there has been a significant addition in the form of the joint diesel engine project, codenamed "Iceberg", between Land Rover and Perkins.

For this reason, Land Rover

took an evolutionary rather than a revolutionary approach when developing the One Ten, the most significant development of the Land Rover vehicle since it was launched in April 1948 and the most important product to

emerge from the investment programme.

Land Rover had to strike a balance between an improved design to appeal to private customers and a more fundamental specification for the utility fleets. But the ride and handling have been improved considerably.

Although the emphasis of the investment programme was changed towards product development—culminating with the launch of the One Ten in March this year—Land Rover will still double capacity to about 110,000 vehicles (on two shifts) a year of which 25,000 would be Range Rovers. This compares with the output of between 50,000 and 60,000 annually for the past ten years.

Vehicles have already been shipped for detailed assessment to prospective customers in the Middle East, where the One Ten goes on sale later this year, and Malaysia, Australia, New Zealand, Indonesia and North Africa.

Much of what was needed to be done at Land Rover has been completed, but as David Andrews, the chairman, says:

"The beginning of recovery in world trade—in which Land Rover-Leyland depends for some two-thirds of total revenues—remains uncertain."

to 450 a week—the timescale will depend on how long customers keep buying the 100 which continues in production, as does the 88-inch wheelbase version.

The One Ten was first launched in the UK and Switzerland and is being introduced to the rest of Continental Europe on a market-by-market basis.

It should help boost the Continental share of Land Rover's sales above the 10 per cent level it has held for many years, particularly as BL has been beefing up its distribution networks in the main Continental markets.

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## UK FOUR-WHEEL DRIVE SALES

	1982	%	1981	%
Land-Rover	6,004	59	5,666	51
Isuzu	1,032	10.1	1,227	10.6
Daihatsu	1,229	12	1,183	10.6
Suzuki	392	3.9	1,012	9.1
Toyota	990	9.7	999	9
Jeep	162	1.6	137	1.4
Bedford	184	1.8	—	—
Total market	10,181		11,121	
	Cars			
Toyota	331	0.02	190	0.01
Ranger Rover	2,696	0.17	2,394	0.16
Lada	96	0.01	114	0.01
Jeep	4		68	
Total market	4,797		2,857	
† % Total car market				

Source: SMMT

## WITH U.S. auto manufacturers simultaneously buffeted by prolonged recession and competition from Japanese imports, four-wheel drive vehicles have been enjoying a largely uninterrupted boom.

The success of new, smaller, more fuel-efficient vehicles by U.S. manufacturers in the 1983 model year has been responsible both for a comeback of sales for four-wheel drive light trucks and utility vehicles, and a strong challenge in the Japanese market that formerly had a near-monopoly in the field.

Strong introductory sales of four-wheel drive versions of new, compact pickup trucks at the beginning of the 1983 model year were given additional momentum in the spring, when Ford and GM also both intro-

duced downsized versions of their light utility Bronco and Blazer models—station wagons like four-wheel drive vehicles based on light pickup truck chassis.

Both types of vehicles are

benefiting from a revived interest in the U.S. in recreational vehicles in general—a phenomenon generally attributed to the dramatic reduction in fuel prices, although it is only the smallest, most fuel-efficient four-wheel drive models that are improved over the previous year.

Overall sales of domestic versions in the U.S. are up 68 per

cent for the first quarter, to 140,290, while total 1982 four-wheel drive sales improved to just over 24 per cent, or 376,880 units.

That is one of the strongest gains of any sector of the U.S. motor vehicle industry.

In contrast to the U.S. passenger car market, which has seen small-car sales continue to be dominated by imports despite the development of supposedly competitive new small cars by domestic manufacturers, domestic light trucks, including four-wheel drive versions, have made significant inroads against imported competition.

The success of the smaller, more fuel-efficient trucks—which still are larger than Japanese imports—is accompanied by dramatic shifts in market share favouring the domestic makes.

In 1981, Japanese makes took 37.8 per cent of total U.S. sales of light trucks, 6,000 lb GVW and under, totalling 1.2m units.

But in 1982, the first year for the new downsized vehicles from Ford and General Motors, the Japanese share slipped to 29 per cent of a market that had grown to 1.4m units.

During the first quarter of 1983, U.S. manufacturers repeated the performance with four-wheel drive vehicles, limiting Japanese makes to 14 per cent of the total four-wheel drive light truck and utility vehicle market, against 20 per cent during the same quarter the previous year.

## Contrast

The new products that have rekindled interest in the sector in the U.S. mainly are similar in concept to previous designs, merely smaller in contrast to either Ford or GM replaced their larger four-wheel drive predecessors, adding instead to the existing product line.

Ford added a four-wheel drive version of its Ranger pickup truck at the beginning of the model year, and GM likewise added the extra drive axle to its S-10 and S-15 model compact trucks. The impact of these two trucks alone on four-wheel drive sales was significant.

Every Subaru has an 18-month/18,000-mile warranty to underwrite its toughness and reliability.

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full-size model and claims 40 per cent improved mileage.

Incremental sales gains in March from the new utilities were 2,500 for Ford and 8,500 for GM—with the full-size version remaining the same as the previous year.

American Motors Corp., which builds the open-bodied four-wheel drive Jeeps announced a new, small, chassis-body four-wheel drive "XJ" Cherokee model due to be introduced in September. It is the first in a series of changes in AMC's four-wheel drive product line, which include introduction of a new 2.5-litre engine and discontinuing its small CJ-5 Jeep in the 1984 model year.

To build the new XJ model, AMC is investing some \$20m in improvements in its plant in Toledo, Ohio—its most expensive retrofitting programme for the year.

AMC has turned almost all its passenger-car development work to French shareholder Regie Nationale des Usines Renault, with its U.S. engineering staff concentrating on development of four-wheel drive vehicles.

Using this expertise, AMC's subsidiary AM General Corporation recently won a \$65m contract from the U.S. Army for the development of 14-ton four-wheel drive, diesel-powered tactical vehicles.

In contrast to the success of the domestic output, total U.S. sales volume of imported four-wheel drive pickup trucks was down by 11 per cent in the first quarter of 1982—with importers mainly blaming increased competition from the new U.S. small trucks. Imported trucks also carry a 25 per cent tariff, highest for any imported vehicle in the U.S.

Meanwhile, Mitsubishi Motor Sales Inc. has begun selling the Montero in the U.S. a utility vehicle that resembles the Toyota Land Cruiser. Toyota itself introduced an unusual hybrid in 1983—a four-wheel drive Tercel model with a station wagon body.

While four-wheel drive passenger cars have been relatively scarce in the U.S. market, AMC plans to name its Eagle model, while imports Subaru Motors of America offer both sedans and station wagons.

So far, there has been only patchy interest in four-wheel drive passenger cars for the U.S. market, since they are not available for the kind of rugged off-road driving associated with utility vehicles and pickup trucks.

In any case, market studies show that outdoors usage is mainly "image" in that even four-wheel drive utility vehicles are rarely driven off the road.

Dan McCosh

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## FOUR-WHEEL DRIVE III

## Home sales expanding rapidly

DEMAND FOR four-wheel-drive vehicles has taken off in Japan during the past two years largely, but not only, because of the advent of the four-wheel-drive mini. In 1980, 88,500 cars, trucks and "Jeep-type" vehicles in the four-wheel-drive category were registered in the domestic market but the number more than doubled to just under 145,000 in the following year and reached 240,000 in 1982.

This year the industry expects to sell more than 300,000 vehicles in Japan alone—a figure which makes four-wheel-drive by far the most rapidly expanding sector of the domestic car market. Japan's four-wheel-drive exports have grown rapidly as well, but not at anything like the pace of domestic sales given the limited number of overseas markets for mini-vehicles.

## Introduced

The manufacture of four-wheel-drive cars in Japan dates back to the early 1960s when Mitsubishi Heavy Industries in-

## Japan

roduced the first such vehicle on the home market. In the early 1950s Mitsubishi started knockdown production of Jeeps in Japan and by the early 1960s all major Japanese car manufacturers had entered the market.

"Jeep-type" vehicles were the rule in Japan as elsewhere until 1975 when Fuji Heavy Industries, the manufacturer of Subaru cars, came out with a medium-sized passenger car, the Leone, which was available in either a four-wheel or normal drive version. The 1.3 to 1.8 litre Leone remained in its class until 1982 when Toyota, the largest Japanese car manufacturer, produced the Sprinter-Carib (a four-wheel-drive version of the Tercel medium-sized passenger car).

The first mini-type four-wheel vehicle to appear in the Japanese market was the Suzuki

Motor Company's Jimmy which made its debut in 1975. The original Jimmy was a jeep-type vehicle with a 360 cc engine (later increased to 550cc). Its successors have been four-wheel-drive versions of the standard "one box" mini cars popular with Japanese farmers and with small business in mountainous areas.

The first one-box four-wheel drive car, the Subaru Sambar, appeared in 1978 and was an immediate and striking success. In 1979 followed both success in miniaturising four-wheel-drive components and the Suzuki, Mitsubishi and Daihatsu, launched cars in the farmers and small business

who could afford the extra Y100,000 (425) or so needed to purchase such cars.

The rapidly growing number of women drivers in Japan also has been a factor in the boom. Four-wheel-drive minis have lighter steering than traditional rover-type vehicles and are claimed to be much more suitable for women drivers. This is significant since a large amount of basic farm work in Japan is now done by women.

Future trends in the Japanese four-wheel-drive market are expected to include the emergence of "crossover" vehicles that look more like ordinary passenger cars as well as of cars in the one-line class that are available in either a normal or a four-wheel-drive version.

The Mitsubishi Pajero, a rover-type vehicle with improved suspension, relatively light steering and a comfortably upholstered interior is regarded as a pointer to the way the market for the larger category of four-wheel-drive vehicles could move. In the next year or two. So far as the medium to small end of the market is concerned it is felt that the market is concerned that so far only Colombia is licensing their import.

In the U.S. overall levels of Japanese car exports are rigidly controlled, but in Europe

where only certain countries

impose restraints on four-wheel-drive manufacturers appear to sense an opportunity.

Charles Smith



Latest entrant in the 4wd "hybrid" market—for Land-Rover-type bodies with saloon car-type interior fittings is the Pajero from Mitsubishi (above). The range includes a turbo, and is sold as Colt models in the UK.

The diminutive Suzuki SJ410V (below) has sold well in most of Suzuki's export markets for several years.



## Exports a goal of expansion

THE INCREASING orientation of Spain's motor manufacturers towards exports is about to be reinforced over the next few years in the four-wheel drive section with the arrival of the Japanese.

Until now this sector has been the preserve of Land Rover's license in Spain, now known as Land Rover Santana, 40 per cent owned by the British company. Exports have been essentially limited to those areas to which Land Rover has sold, to give its Spanish affiliate sole selling rights—South America and parts of North Africa.

This pattern is due to change by 1985. The first Japanese vehicles made in Spain have begun rolling off the production line at Motor Iberica, a Barcelona-based company whose principal line of business used to be tractors and whose majority ownership has changed from Spanish hands to those of Nissan.

Three hundred of the Spanish version of the Nissan Patrol—differing little from the Japanese original except for the Perkins-licensed diesel engine—were produced for the domestic market in March, and output is to be stepped up during the year to 20,000 a year.

Having got over some initial hitches, production for the year is scheduled at 4,500 vehicles, of which 500 are expected to remain as stock.

Nissan has placed a strong emphasis on quality and finish in order to develop a market for normal private use, but it is also counting on taking part of the traditional market occupied by Land Rover.

Land Rover Santana has responded by signing an agreement with Suzuki of Japan for the manufacture of the lighter "Jimmy" runabout with a 1,000 cc engine; also designed to exploit the potential for personal use four-wheel-drive in Spain and other Mediterranean countries.

## Protected

With the Spanish police and armed forces as important outlets for its standard Land Rover model, Santana, based at Linares in the south of the country, has up to now enjoyed a protected domestic market. Since the original licensing agreement in the early 1960s its vehicles have been mostly Spanish-content and the company has reciprocal arrangements with the UK group to supply some components.

Though the company itself will not give figures, experts elsewhere in the industry say production of Land Rovers has fallen from the level of about 17,000 vehicles a year a few years ago to 15,000 to 15,500 a year. Of this total a quarter or a third go to the agreed export markets where the

David White

## Spain

British group does not sell, they say.

The addition of a new Suzuki model from next year, with an expected capital participation by the Japanese company, will help use Santana's capacity, reckoned to be up to 40,000 vehicles a year. Initial production for the Jimmy is scheduled to be 10,000 a year, rising over a period of two years to double that number.

The buggy-style vehicle, which is seen as complementary to Santana's Land Rovers, broadening its four-wheel-drive range, may perhaps be sold at a later stage in other export markets beyond those of southern Europe.

Part of the rationale behind Santana's project with Suzuki is to compete in the new markets being sought out by Nissan-Motor Iberica, just as much as the latter plans to encroach on Santana's preserve, including the important security forces market.

Exports of the Spanish-made Nissan patrol to the EEC are not scheduled to start until 1985, starting with Italy. But future expansion prospects are very much pegged to exports. Under its agreement with the Spanish authorities the company is committed to selling 60 per cent of its production abroad, failing which it is limited to a basic quota on the Spanish market.

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Currently about 60 per cent of the vehicle, including the engine, suspension and gear box, is made in Spain—the minimum required—but this proportion is due to rise to 85 per cent in two years' time.

The 2.7 litre diesel motor is relatively underpowered compared with the Japanese version. Although this is considered unsatisfactory for the domestic market, where utility vehicles have to be diesel-powered, alternatives are being looked into to meet the expected demand for higher performance from clients in other countries.

After a light van, the Vanette, due to start production next year with a Japanese-designed engine, the company's Japanese-Spanish management is looking on plans for a third model.

David White

Nissan's Datsun Patrol. Exports of the Spanish-built vehicles are scheduled to start in 1985

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## FOUR-WHEEL DRIVE IV

## Using the performance

THE USUAL REASON for having four-wheel drive is to keep moving on terrain that brings a two-wheel drive vehicle to a standstill. But there is another: to increase the road-holding capability of a high-performance car by spreading the engine's power among four tire contact patches, not two. The improved safety and ease of driving has to be experienced to be believed.

The more civilised off-road vehicles are personified by the Range Rover, which was launched 12 years ago and is still the best vehicle of its kind. They are as capable as the roughnecks of clambering in and out of quagmires or ascending inclines like the roof of a house, far more comfortable to ride in.

Longer suspension movement made possible by using coil springs instead of laminated leaves takes the iron out of their ride. Given a reasonably skilled hand at the wheel, they are even better across country because softer suspension and greater axle articulation will improve traction.

The Range Rover has been changed only in detail during its life. In its latest form it has power-assisted steering—a near essential for road use, especially if it is to be driven in town and by the less muscular—and an automatic transmission option. It has permanent four-wheel drive with a central differential to prevent transmission "wind-up" on hard surfaces.

The Range Rover has been a classic case of a marketing success coming about by accident. Right though it would be bought by farmers for use on the land during the day and as a private car outside working hours. It was not. The Land-Rover remained the work horse; the Range Rover became the leading recreational four-wheel drive, pulling horse boxes and yacht trailers, carrying shooting parties to grouse moors or spectators to Badminton.

Many buyers never take them off hard roads at all; some, it is said, are even unaware it has four-wheel drive. It is a machine admired for its strength and social status and for serving off-road drivers open to the town.

Drive hard, it behaves like a somewhat elephantine sports car. The automatic is better than the manual on the road but the reverse is true across rough country. The latest ones are less noisy, especially in the transmission, and the four-door bodywork has broadened their appeal considerably.

Rivals to the Range Rover tend to lack its visual panache. The Daimler-Benz Gelandewagen, though mechanically



Top: Subaru of Japan's 1800 estate, latest version of a model which was first in the mass-produced 4wd car/estate sector; above, American Motors Corporation's Eagle, which for several years has found a ready market in the U.S., particularly among winter sportsmen.

magnificent, with lockable front and rear differentials, a five-cylinder diesel or six-cylinder petrol engine option and a four-speed automatic, has been commercially disappointing. It is held to be too good to be used as a Land-Rover, and yet not distinguished enough in appearance to appeal to the Range Rover set.

Toyota's Land Cruiser station wagon, with a 4-litre, six-cylinder diesel, five-speed manual transmission and power steering as standard, is effortless (and surprisingly economical) on the motorway, capable across country. Much the same may be said of the Nissan Datsun Patrol, with six-cylinder petrol or diesel engines, two lengths of wheelbase, power steering and seductively competitive pricing.

## Power steering

Both Land Cruiser and Patrol are more car-like to drive than even the latest Land-Rover One Ten though, with V8 engine and power steering, this is closer to the Range Rover than its leaf springs; but the four 109-inch Land Rovers. The Land Rover One Ten, now collapsed, rides better than the Toyota or Nissan, which have leaf springs; but the four-

cylinder One Tens are still off-road vehicles that may be used on the highway rather than rugged, roadworthy estate cars that combine saloon amenities with off-road capability.

Soon to be available in Britain is another compact, up-market 4 x 4. The Mitsubishi Colt Shogun falls halfway between the Suzuki and the Range Rover in size. Its six-cylinder engine makes it lively and smooth running on the road. A car-like interior is aimed at recreational buyers and the pricing could be keen.

By far the most significant four-wheel drive car to appear in years is the Subaru. In

essence, this is a front-wheel drive medium-size family saloon with the added benefit of wheelbase, power steering and seductively competitive pricing.

Broadening the appeal of the Subaru are an automatic, with

a clever torque-converter lock-up in all three ratios, and an all-wheel drive hatchback without the twin-shaft gearbox selling at under £5,500.

Now competing with the Subaru is Toyota's Terce Estate, similar in concept but having a single-range transmission with six-speed gearbox, the lowest ratio of which can be used in four-wheel drive. Renault showed a similar derivative of the 1800 in its 1800 estate with a manual five-speed gearbox only but a choice of petrol or diesel power.

Other most attractive recreation-type four-wheel drives at Geneva included a Mitsubishi minibus with forward control, five-speed, twin-range transmission, and an interior that converted into a camping car. It is not yet available in Britain but it is the Renault 18—but could prove an attractive proposition.

The Subaru and similar vehicles do not have or need a third differential because they go into four-wheel drive only when lack of road grip makes it desirable. They are quite cheap; the only difference between them and the front-drive cars on which they are based is that they have a power take-off in the gearbox and a set of final drive gears and strengthened suspension. Yet they have as much off-road capability as the majority of users ever require. Another vehicle of this type in the pipeline is the Fiat Panda 4x4.

The advantages of four-wheel drive in a road car, first advocated by the late Harry Ferguson, have been convincingly demonstrated in recent years by Audi. Their Quattro, introduced a little over three years ago, has become renowned for the superb and gentle good manners that any driver of average skill can use most of its performance safely almost regardless of road conditions.

Stuart Marshall

## More makers developing 4 wd cars



The Audi 80 Quattro offers 120 mph performance from its fuel-injected 2.8 litre engine

ranks of the 4wd car brigade in the UK with its Terce estate, while on the Continent Renault has launched a 4wd Renault 25, a 4wd Fuego coupe on the stocks. Lancia showed a 4wd version of its Delta hatchback last year, also expected to go on sale soon.

Mercedes, though sharing some of BMW's scepticism about the true extent of the advantages of four-wheel drive over conventional lay-outs, is nevertheless progressing with its development of four-wheel drive variants of its current 200 series cars.

By contrast, BMW has been more cautious. Dr Karlheinz Radermacher, its research chief until a few months ago, had increasingly stressed his perceived need for conservatism in BMW's technology—relating innovation much more to commercial environmental, fuel and running cost considerations than "technology for technology's sake."

## Confined

Next winter, and in the following years, the number of "ordinary" cars equipped with 4wd will proliferate. Soon, those in the car industry not developing such vehicles will be out of step.

The list of companies developing 4wd is already a long one. It includes Alfa Romeo, Audi, BMW, Fiat, Lancia, Mercedes, Opel, Peugeot, Porsche, Renault, Toyo Roko, Toyota and Volkswagen.

Ford is in there, too; Ford of Germany's chairman, Mr Daniel Goedelweert, having acknowledged last year that a 4wd Sierra was being developed.

Little has been said about it since then. But Ford's out-of-the-blue decision earlier this year to scrap long-nurtured plans to return to international

markets is as being confined to an option of a new range of large 7- and 6-series cars.

Further down the market, it is expected that Alfa-Romeos will eventually have a 4wd system developed with Pininfarina.

And further down yet, the first Fiat Panda cars equipped with a 4wd system, developed by Steyr-Daimler-Puch of Austria (which is also providing 4wd systems for VW's Transporter minibus) have already gone on sale. These are being built at the rate of 5,000 a year.

In March, Toyota joined the

ket represents an extension of these basic abilities, in that a great deal of the available power can be transmitted to the road without a wheelspin. Yet a 4wd does not suffer from the tendency of a rear-drive car to slide sideways in the rear under acceleration through a corner, or that of a front-wheel-drive car to "plough" straight ahead.

In spite of such undeniable advantages, some manufacturers are sceptical, suggesting, for example, that much of Europe is too flat and the climate too parts too mild for the system to provide any major benefits. Others believe such scepticism to be ill-founded, and suggest that while two-wheel drive systems are unlikely to be rendered obsolete, the industry overall will have to provide 4wd at least as an option as awareness of its merits spreads.

What has been demonstrated already is that high cost cannot be used as an argument against it. Its widespread production, even if most of the examples so far are Japanese, Subarus' estate cars, saloons and hatchbacks are priced in the UK from £4,700 upwards, while the well-appointed Terce starts at £5,892.

The latest European contender, Audi's up-market 80 Quattro saloon, is just going on sale in the UK at about £10,500—about £1,500 more than the dearest conventional version of the 80.

John Griffiths

## Big trucks in demand



A four-wheel drive truck in service: members of the 1983 Joint Services Nepal Expedition with a Bedford TM 4x4 support vehicle during training in Scotland

as civilian water tankers in Abu Dhabi.

Like other truck makers competing for Third World business, Bedford has found even this sector—in which it is one of the few specialists with "in-house" 4wd transmission systems—tough going since the start of recession.

## Shortage

The main reason is the critical shortage of foreign exchange now being experienced by many developing countries and, in particular, the sharply curtailed spending programmes of oil

producing countries as a result of weakened crude oil prices. It is also a business quite heavily dependent on overseas aid programmes and here, too, fund shortages have dampened demand.

Nevertheless, Leyland Vehicles, for example, sees the sector as having considerable potential—and is now in a position to tackle it. Hitherto, the trucks arm of the UK state-owned group has virtually ignored this area of the market; but with the arrival of its new T45 truck range since 1980, in particular the bonneted export variants, Landmaster and Landtraine, it says that all-wheel-drive heavy trucks "are moving away from being a fringe activity."

Recently, Leyland secured an order for 80 all-wheel-drive Landmasters from the Ghana Cocoa Corporation. The Zimbabwe Army, among others, is also undertaking trials of the same truck.

The vehicles do not come from Leyland itself, however.

Instead, they are providing lucrative business for a small company based in the Doncaster market town of Newton Abbot. NAM Special Vehicles began life converting Ford light trucks and vans to four-wheel-drive, and up until last year employed a mere 23 people. Since then, however, it has acquired the former GRN Transmission plant on the town's outskirts, more than tripled its employment and is converting trucks of all types and of up to 24 tonnes a year at the rate of about 800 a year.

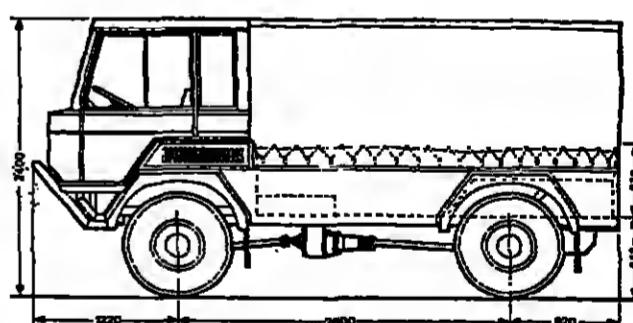
Except in cases such as Bedford, for whom the 4wd truck has been an integral part of its range almost since the company was founded 51 years ago, it makes sense for truck makers to use an outside converter: the volumes involved still do not justify the substantial development and tooling costs for in-house transmissions (even then, the 20,000 H-type which Bedford have sold altogether represents only 2 per cent of total output).

For this reason, a recent batch of Ford Cargo trucks destined for off-road use in Pakistan began their journey from the truck plant at Langley, Berkshire, with their own detour to Devon.

John Griffiths



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## THE ARTS

## Our Day Out/Young Vic

Martin Hoyle

I spent the first half of Willyplay has been translated from scouse to cockney, a complicated genesis that may explain why, instead of simple, it too often sounds simplistic. Sixteen lively children and four teachers — middle-aged liberal and illiberal, young couple — visit a zoo, Bodiam Castle and the Sussex shore. Rob Eaton's production keeps things moving with such set-pieces as the robbing of a sweet-counter (half-hearted references to unjust profit made from children are somehow less acceptable than open amorality would be) and the high-spirited climax of a seashore fair.

Less successful is the sentimentality embodied by a wifey who sings to the seagulls and threatens to throw herself from the cliffs rather than return to an unhappy home. Mr Russell's soft centre makes Shirley Temple sound like Bette Midler.

Excellent performances from all concerned. Perhaps the children's unpretentiousness works against the piece's self-consciousness. "Play" is music boxy, as in "I'm in love with you" sung by a schoolgirl with a crush — on the right side of the thin line between the touching and the embarrassing. Not all the evening is so surefooted.

This musical version of a TV



Christina Nagy and Darragh Murray in the musical version of Willy Russell's TV play

## Schumann/Covent Garden

Clement Crisp

Like *Carmen*, perhaps more intensely so, the *Danubius* dances reflect the most intimate feelings of Schumann about his alter ego, Florestan and Eusebius. For Balanchine, whose thrilling realisation of this score was the centrepiece of Tuesday's Royal Gala in the presence of the Duke and Duchess of Gloucester, the music was also his guide to a contemplation of the nature of Schumann's relationship with his wife, Clara.

The ballet can thus be seen as being "about" the dependence of the artist upon the wife-muse — and it is singularly explicit on this subject — but it is also, because of Balanchine's blessed musical intelligence, a response to the music's formal structure as well as its emotional vagaries.

The setting by Reuben Ter-Arutunian is a fantastic landscape inspired by Caspar David Friedrich, dominated by a

stretch of water, and inhabited by four couples, with the pianist (the eloquent Gordon Boerner) also on stage. We may understand the taste of the choreographer: Stephanie Saland and Ed Anderson; Jacques d'Amboise and Suzanne Farrell; Heather Watts and Peter Martins; as abstractions of the Schumann/Clara relationship. But the chief pair, Karin von Arndt and Adam Liders, are directly and very dramatically the actuality of the composer and his wife.

The progress of the ballet, its emotional momentum, comes from the way in which Balanchine contrasts and cross-cuts between the tragic reality of Schumann's feelings, his fate (we see the anguish of his temperament, and know his death), and the poetic symbolism which the music suggests about the nature of a couple dancing together, with the Florestan/Eusebius dichotomy as the points of passion

and calm between which the last farewell to Schumann, which she plays on a delicate, echoing pianissimo.

The other members of the cast are no less grand: the contrasts between their physique and temperament — how rich, how varied the gifts of the New York City Ballet's principals — are part of the subtle drama that Balanchine drew from Schumann's score and Schumann's life, never exceeding its musical boundaries or its stylistic limits. There results a rare and haunting work of art.

Both artists are superb. Mr Liders' fly-away, spidery style is used to suggest Schumann's tenuous hold on sanity, and his final descent into oblivion is most pathetic. Miss von Arndt, with that beautiful seriousness which marks her greatest roles, her physical power shown as compassionate understanding, is heart-stoppingly fine, especially in the dramatic reference.

A note must be added about the performance of *Divertimento No. 15* which opened the programme, if only to say that Kyra Nichols and Joseph Duell, Stacy Lauder, Liza Hess, Stephanie Saland, Lourdes Lopez, Peter Frima and David Otto, were sublimely right in a sublime work. How fortunate are we to dance a masterpiece; how fortunate we are to see them dance it.

## Doña Rosita/Edinburgh Festival

B. A. Young

The Arts Council has given film awards of £500 each to Nicholas Gordon-Smith, Michael Morris, Peter Milne and Valerie Pease. A joint award of £500 was given to Roberta Graham and John Stewart. Christine Feice receives a £1,000 film completion award and Peter Gidal receives £1,500 to complete his *Avante Garde Film*. Jeremy Walsh and Susan Hiller have been given video bursaries of £1,000 and £800 respectively.

Watford director on BBC course

Michael Atttenborough, artistic director of the Palace Theatre, Watford, has been selected by the BBC to attend the BBC Television Drama Directors Course, which will take place this autumn. This will mean that he will not be directing any Watford productions in the coming season. He will be absent from the theatre until October 31.

The course, which is held every three or four years, is run by the BBC specifically for theatre directors interested in widening their knowledge and experience to include the world of television.

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"The whole action is confined to a large and comfortable parlour," says the programme — the complete festival programme, that is, for the Royal Lyceum offers neither programme nor simultaneous translation. When the white gauze curtain is drawn, this parlor, designed by Max Biegans, is presented to us as one of the most beautiful sets I ever saw. The black wall is also pale gauze, but through the several doors you see the bright flowers cultivated by the Uncle. You also see them faintly through the gauze.

As the stage fills up, the costumes (Max Biegans also designed these) complete a picture on a series of pictures, that will the promote the play.

The play is simple: Rosita (the only character with a name of her own) is preparing for marriage with the Nephew (Juan Miralles). Rosita is Nuria Espert, looking young and happy in a rose-pink

dress, proudly displaying her Nephew's parting embrace in Act I, the witty use of the Economist's walking-stick, the contrast between the three black-clad Spinsters, and the two young Misses Ayala, the "Language of Flowers" dance and music. The barren stage in Act III, a token of Lorca's obsession with *The Cherry Orchard* is made as beautiful by its emptiness as the charms of the earlier scene.

Nuria Espert, growing older act by act, yet never losing her youthful dignity, gives a performance that blossoms out even above the lovely work of the rest of the company in their multifarious characters. It is a moment for tears when, weeping over her unworn wedding-dress, she leaves the deserted house at the end. The roses are gone, the old Aunt (Carmen Bernadou) and the faithful housekeeper (Julia Martinez) remain to support her. A distant piano plays an echo of the "Language of Flowers" song.

The production, directed by Jorge Lavelle, is full of incidental beauties — the graceful attitude of Rosita's and the

dress, proudly displaying her Nephew's parting embrace in

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## Arts Guide

## Exhibitions

## PARIS

Miro in the Museums of France. In one of its excellent didactic exhibitions, the Louvre has assembled, to mark the 30th anniversary of the artist's death, his paintings and drawings — among them the Young Beggars — from French collections. Plans, photographs and engravings help us to situate the Seville artist in the context of his times. Closed Tue, ends October 24th. Louvre, Pavillon de Flore (260.826).

Magritte and the Advertisers. An exhibition which could also be called "à la manière de" — because — apart from some of Magritte's own creations — so many of the posters show how advertising designers adopted the Belgian surrealist's symbolic yet simple pictorial language. Musée de l'Affiche et de la Publicité, 18 rue du Théâtre, 75011 Paris. Tel: 532.8226.

Exotic Flora and Fauna in art from the 17th century to the first half of the 20th century. Louvre des Antiquités, 2 Place du Palais Royal (267.2700), 11 am till 7 pm. Ends Sept 25.

## WEST GERMANY

Hildesheim, Römer- und Pelizaeus-Museum. The only German venue of Art Treasures from Ancient Nigeria with 100 exhibits

bearing witness to the oldest African culture from 500 BC to 1800 AD. Ends Oct 23.

Frankfurt, Kunstmuseum, 44 Markt: The first big exhibition of Markus Ritz with roughly 100 installations and drawings by the Swiss painter and object artist. Ends Sept 23.

Musée Haus der Kunst, 1 Prinzessengasse: the "Great Arts Exhibition" — Munich 1983 — has paintings, sculptures and graphics from the last two years by 500 artists living in West Germany. Ends Sept 25.

Nuremberg, Germanisches Nationalmuseum, 1 Kornmarkt: A documentation with 600 pictures and sculptures by students, with examples of a number of expert forgeries which made their manufacturers considerable sums of money.

Albert Plessner Museum, Amsterdam: Artistic fakes, including paintings, sculpture and porcelain, brought together by students, with examples of a number of expert forgeries which made their manufacturers considerable sums of money.

Geestemuseum, The Hague: The Hague School including masterpieces by the Marin brothers, Israel and Breitner. Ends Oct 30.

ITALY

Venice, Capitani Navali all a Giudecca. Works by Burri. Ends Sept 30.

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

August 26-Sept 1

## NEW YORK

Henry Moore (Metropolitan Museum of Art): The first major retrospective in America for nearly 40 years includes 100 major works, including stone as well as sculptures large and small in one of the highlights of the Britain Salutes New York celebration. Ends Sept 25th.

WASHINGTON

National Gallery: With the recent death of American art patron, John Hay Whitney, his outstanding collection of French Impressionists and their successors is on view before dispersal to various museums. Ends October 2.

HOLLAND

Stedelijk Museum, Amsterdam: Modern art from the Impressionists of today until the end of the month. There is a similar exhibition at the Boymans Museum, Rotterdam, until September 18.

Albert Plessner Museum, Amsterdam:

Artistic fakes, including paintings, sculpture and porcelain, brought together by students, with examples of a number of expert forgeries which made their manufacturers considerable sums of money.

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## FINANCIAL TIMES

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Thursday September 1 1983

## MacGregor's agenda

THE CHAIRMANSHIP of the National Coal Board is conventionally regarded as the bed of nails. Yet it could be otherwise when Mr Ian MacGregor takes up his appointment as the head of Britain's nationalised coal industry today he will enjoy several advantages that have not been uniformly granted to other state industry chairmen.

He has, for a start, a reasonable idea of what is required of him. In March this year the Secretary of State for Energy laid out a set of broad objectives. As well as including a duty to earn a satisfactory return on the public sector's social grants, on the board's assets, these require the NCB to aim only at that share of the market which it can profitably sustain in competition with other fuels. It has been told, bluntly, if inelegantly, not to "plan on any continuing tranche of sales which will not be profitable" and to bring productive capacity into line with its continuing share of the market. Over the next five years real operating costs per tonne will also have to be reduced significantly in line with government targets.

The extent of the challenge can be clearly seen in the latest annual report. Last year the coal supply of 127m tonnes exceeded total demand by nearly 10m tonnes, an appreciable increase on the previous year's excess of just over 5m tonnes. The outcome was that year-end stocks showed a dramatic increase and the historic cost loss for the year, even after allowing for increased operating and social grants of £146m, reached £485m.

### Programme

Nor is there any secret about where responsibility for poor operating profits lie. The outgoing chairman, Sir Norman Sidell, has repeatedly emphasised that a small proportion of total output mined from persistently unprofitable pits with no prospect of viability is responsible for the greater part both of surplus output and financial losses. And the recent Monopolies Commission report produced a pungent critique of management on a range of issues, running from poor demand forecasting to inlexible pricing in the domestic market.

In short, Mr MacGregor has been provided with a programme for action. All he has to do, to coin a phrase, is to implement it. Yet he does at least have the comfort of knowing that since the Central Electricity Generating Board

accounts for more than 70 per cent of total sales, the demand side of the equation is potentially very pliable.

At British Steel. And while Mr Arthur Scargill of the National Union of Mineworkers undoubtedly poses a threat, there is consolation in the way the miners themselves have been showing increasing realism—witness their rejection of strike action in the ballot on wages and closures last October.

This quiescence owes much to an incentive bonus scheme which creates wide discrepancies between areas and pits, so minimising the risk of strike. Yet there could well be a pitfall here for management (and unions) since the operations of the bonus scheme itself contribute to the creation of excessive coal inventories. And any attempt further to localise wage bargaining could entail big risks.

### Insolvent

The one pressing problem where Mr MacGregor can hope to achieve fairly painless gains concerns the NCB's capital structure, which is urgently in need of adjustment. Having run through its reserves last year, the board is now technically insolvent. Moreover, last year's interest charge of £366m bears eloquent testimony to the problems of financing high inventories and a heavy investment programme exclusively with fixed and floating-rate debt.

The temptation for any chairman would be to go for the maximum injection of public dividend capital in any refinancing, since the burden of debt service is removed. Yet this conceals the cost of public sector industry to the government. In contrast, a refinancing with index-linked debt would give a clearer indication of the real return on the NCB's huge investment programme.

The chief obstacle in the NCB raising index-linked money in the capital markets is the Treasury's—possibly excessive—fear of giving private investors too generous a deal. But a case for encouraging the NCB to undertake a rescheduling which put the outstanding debt obligation to the Government on to an indexed basis, this could then be refinanced by the authorities with index-linked issues of government debt. Mr MacGregor's debt servicing costs, meantime, would be cut at least in half, with no protests from Mr Scargill.

## Zia's search for stability

PRESIDENT Zia ul-Haq has wisely responded to the violence which has swept Pakistan's Sind province in a cool and measured way. Not only is this in character but it is also the only realistic option available to him.

If used excessive force he would almost certainly provoke a general uprising or, worse, a move against him by his fellow generals who would not wish to turn their guns on the people. If, on the other hand, he gave in to the opposition's demands for an immediate political process he would not only seal his own fate but might well provoke the very instability he has tried to prevent.

Pakistan has, so far, proved barren soil for democracy. The Bhutto family, for all their charisma, have proved unsatisfactory democrats. The late Prime Minister, Mr Z. A. Bhutto, it could be argued, rendered democracy an even greater disservice by abusing his powers than President Zia, who seized control in a coup and then executed Mr Bhutto.

In any case, it is doubtful whether the army, which is not only the single most powerful group in Pakistan but probably the only cohesive force in the country, would go back to barracks willingly.

### Rough ride

The army would be doubly reluctant to relinquish effective power since the advent of a government dominated by Mr Bhutto's Pakistan People's Party would almost certainly signal a radical change in foreign policy.

President Zia, from a Western point of view, has provided a welcome outlet to reaction. Under a PPP-controlled government the increasingly close relationship with the U.S. and its growing pay-off in terms of arms and money would be exchanged for a dogmatic non-alignment involving a closer relationship with the Soviet Union. In all probability this would include an early recognition of the Babrak Karim regime in Afghanistan and, hence, an

approval of the Russian invasion which installed him in 1979.

For all his guile, however, President Zia has failed to forge the necessary national consensus to keep the country united. It seems increasingly doubtful whether he can keep to his stated timetable of parliamentary elections and the lifting of martial law within 20 months without losing the plot in the interim.

President Zia still has to tackle two issues, both of which are linked to the question of Pakistan's continual search for an identity since partition in 1947.

### Nationalities

The first is his desire to turn Pakistan into a full-blooded Islamic state. Pakistan was originally created as a state for Muslims. But the zeal with which President Zia has pursued this aim has irritated the country's middle classes.

More important, however, is his failure to resolve what is perhaps the most serious threat to Pakistan's integrity—namely the "nationality" question.

Much of the present resentment in the Sind stems from the fear of being crushed by the much bigger province of Punjab which dominates the army and the bureaucracy, the two most powerful instruments of state.

The same resentment is felt in the North West Frontier Province and Baluchistan, where a latent secessionist rebellion is a latent fact.

It is too early to tell whether President Zia can achieve the necessary compromise. He is certainly not "finished" as the opposition suggests. On the other hand he is looking less secure than at any time since he became president.

The predicament that Zia faces is how to reconcile the urgent need for stability with the growing demands for pluralism. In the past, pluralism in Pakistan has been virtually synonymous with instability, while stability has been achieved only through dictatorship.

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## ECONOMIC VIEWPOINT

## Markets v the conventional folly

By Anthony Harris

The Walrus and the Carpenter were walking on the strand; They wept like anything to see such quantities of sand. "If seven months with seven mops sweep for seven years; Do you suppose," the Walrus said "that they could get it clear?"

"I doubt it," said the Carpenter, and shed a bitter tear. WELL, it isn't seven years yet; but 15 months after the international banking crisis became clearly visible, the make-up operation continues, and for all the efforts of the great and the good, nobody has much confidence they will ever get it clear.

Meanwhile, the circular flow of funds has become a circular flow of nonsense, an unpaid interest is written down as a flow of new lending, the banks make up their cash deficiency by attracting new deposits, and the central banks, switching to their monetary control hats, take flight.

As they take flight, the open-market committees go into action. While everything short of brute force is done to prevent the banks from reducing their international reserves, the corresponding growth of the liability side of the balance sheet must be checked; so funding continues, interest rates rise still further in real terms, and the debt problem becomes a little further from solution.

In sum, commercial banks, which can hardly be accused of old-maidishness in the past, are now compelled to write business which they themselves regard as imprudent; and the authorities, having thus decreed a system in which the growth of "lending" sets the pace for the growth of liquidity, the plant needed to finance half-finished investment projects on stream, and the components needed to keep completed plants running effectively.

This self-defeating game would in itself be enough to inhibit world recovery considerably, but it is unhappy not the whole story. To lend capital to those who pay has no doubt been frozen at the suggestion of the IMF. Growth and trade are diverted to the black economy; but this is not enough to prevent a painful drop in the export trade of the major manufacturing countries.

All this damage to current growth and long-term investment might be worse suffering in some higher cause; but the

debtor countries, after all, did not get into trouble by having a highly effective and incorruptible government machine imposing voluntary arbitration. They are more in the phase of the U.S. in its frontier days, dependent for their growth on the efforts of entrepreneurs who cannot afford to carry too many scruples in their baggage, and with about as much effective enforcement of the Government's will as was to be seen in Texas in the days before statehood. That is how dynamic development has happened throughout history.

If the beleaguered government of such a country now agrees to an IMF package, the results are not always quite what the IMF intended. The capital account is protected by a sharp devaluation and the imposition of tight exchange control. This firm locking of an empty stable (it is half the debt of Argentina, for example, was incurred to finance the flight of private capital) actually makes the balance of payments worse. Private owners of large assets in the U.S. and Switzerland no longer repatriate their income.

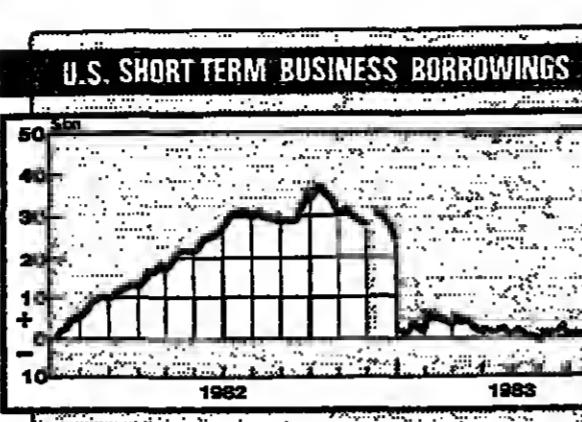
At the same time, exports suddenly disappear, possibly to nowhere else — for example, students of statistics have noted the sudden emergence of Paraguay, which grows no coffee, as a major coffee exporter.

Import controls are imposed, which do indeed keep out imports of certain useful items which are hard to smuggle.

The plant needed to finance half-finished investment projects on stream, and the components needed to keep completed plants running effectively.

However, smaller items would in itself be enough to inhibit world recovery considerably, but it is unhappy not the whole story. To lend capital to those who pay has no doubt been frozen at the suggestion of the IMF. Growth and trade are diverted to the black economy; but this is not enough to prevent a painful drop in the export trade of the major manufacturing countries.

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Graham Lawler

**"This hardly suggests that a continued flow of bank credit, commercial or otherwise, is essential to finance recovery."**

cause seems to me as questionable as the methods by which it is served. It is based on the idea that the whole future of world development rests on an ever-growing flow of international bank finance.

This line of thought should be thoroughly familiar to British readers; for 12 years now we have been running a regime which tries to combine monetary control with the unchecked growth of commercial bank lending, which is also referred to as "essential".

As it has been just the same as the regime now beginning to appear internationally, a regime of high interest rates, an indefinite tendency to throw good money after bad, and slow growth.

The fact is that the system works only if the authorities are highly tolerant of inflation, as they were when they turned a blind eye to the growth of the Euromarkets after the first oil shock. It does not work when it is trying to do two contradictory jobs at once, credit expansion and monetary restraint.

What is more, the supposedly essential role of the banks in providing long-term finance, whether internally or internationally, is itself a fiction, or rather a projection of recent

abnormal experience. During the era of high and uncertain inflation, strained cash flow and compressed profit margins, commercial borrowers found it hard to maintain their operations out of retained earnings, or raise new long-term capital. Since the policies which sustained the inflation also maintained interest rates well below the rate of inflation, bank intermediated credit provided a very comfortable solution.

However, we have now reversed these conditions, with much pain virtually everywhere. The fall in inflation has far outdistanced the fall in interest rates, profit margins have improved quite sharply, and capital market conditions are far more favourable. It is at this stage, according to the Bank of England's own internal game-plan, that corporate finance should return to the markets, thus ceasing to inflate bank liquidity, or cutting the monetary knot at one blow.

In any case, it is all beginning to happen, since the markets, which respond to costs and prices, always react more promptly and more wisely than the authorities. Observe, for example, what has happened to short-term commercial borrowing in the U.S. It peaked 11

months ago, and after an initial fall, has shown virtually no growth at all; within the total, there has actually been a minuscule fall in bank borrowing, and a rise of something less than \$2bn in outstanding commercial paper.

This hardly suggests that a continued flow of bank credit, commercial or otherwise, is essential to finance recovery; rather, if anything, that the recovery could only gather pace once commercial borrowers were out of the grip of the banks. They have relied instead primarily on their own much improved cash flow, on the equity market and on the Eurobond market. The domestic bond market seems to have been quite subdued.

Britain is not such a telling example, since our own recovery is much more modest than here again there has been a marked drop in commercial bank borrowing, reflecting a much-improved commercial sector cash flow. There has also been a revival of market finance, but this has not been so visible. Thanks to a combination of the queuing system in the capital markets, the cost of stamp duty, and the excessive commissions charged by the Stock Exchange on dealings in the commercial loan stock, the business has been emigrating.

Most of the fun is being seen in the spectacularly revived Eurosterling market—with the result, among other things, that commercial funding is not very obvious help in controlling the UK money supply. This is another example of conventional folly. The authorities and the Stock Exchange Council may believe as much as they like in orderly markets, dual capacity, and adequate commissions. Reality has a way of simply bypassing them.

And what you must be wondering, has all this to do with the international banking crisis? Simpler than that, internationally, just as domestically, the reliance on bank finance for long-term investment was an unfortunate abnormality which all those in authority are now seeking to reverse. Internationally, it would be much healthier if bank finance could revert to what was until recently seen as its normal role—providing working capital and credit for trade customers, leaving long-term investments to

the long-term markets.

Though a few problem borrowers may yet prove able to emulate Chrysler Corporation in the U.S. and surprise their creditors with a sudden return to solvency, for a range of them this must mean first an orderly programme to consolidate existing short-term debts, whether in the thinnest of disguises—or perhaps, realistically, equity. Every leading merchant banker seems to have put his name to some scheme or other designed to achieve this; all of them have so far been turned down flat.

The reasons given for soldiering on with rescheduling and no-stop negotiation are hardly persuasive. One is to maintain "discipline"—which is, as we have seen, likely to prove an illusion. A second is that if a solution is offered to one country, all the others will want one too. But if there is a better alternative to rolled-over bank debt, it should be generally available.

The true reasons are of course different: a solution of any kind would mean a nasty moment of truth in bank profit and loss statements, and would result in a shrinkage of bank balance sheets. To an outside observer these events might seem desirable; but central bankers are bankers first and last, gamekeepers who are always liable to turn to poaching.

Falling an orderly solution, the wise will expect a disorderly one—especially after a week in which Brazil has been able to bite the proffered bands of the BIS and the Paris Club with impunity, and Venezuela has for the time being shown the IMF the door. It is easy to guess, say, at a vast moratorium, with loans re-written on high unattractive terms, and banks saved only by punitive lender-of-last resort support.

To be sure, the central banks would remain firmly in control of the situation throughout, rather than leaving the reliance on bank finance to the judgment of free market agents; but this would be not so much a case of gamekeeper turned poacher as fireman turned arsonist. It all reinforces the feeling that debt is too important a question to be left to the bankers. The opening for an ambitious politician seems obvious.

WHICH Western industrialised country—in spite of an almost daily outpouring of economic gloom from its national Press—is currently sitting on record official reserves of foreign exchange, and has had the thinnest of disguises—or perhaps, realistically, equity. Every leading merchant banker seems to have put his name to some scheme or other designed to achieve this; all of them have so far been turned down flat.

Further clues: the budget is moving firmly into structural balance, according to the Organisation for Economic Co-operation and Development; new car registrations this year are at an all-time high; the stock market has risen by nearly 40 per cent from end-1982; and the currency, in spite of frequent bouts of speculative pressure, has fallen only about 3 per cent against sterling since May 1981.

The answer should be obvious, but probably isn't: Socialist France.

The French economy is clearly not out of the wood yet. There are still large question marks over the social consequences of this year's economic austerity measures.

The French Government would probably do it a favour if it tried harder to present the country's economic position in a way which hid none of the many serious difficulties but which also put France's problems into international context.

For instance, the number one economic grouse in France as the summer comes to an end is the increased burden of taxation. But few Frenchmen complaining about government efforts to speed up income tax receipts are probably aware that France allows a much more generous time-lag in tax collection than other industrialised countries.

Increasing numbers of French taxpayers (a judge by reason of the increase in the last few months) regard Mrs Thatcher as a tax-cutting paragon. Yet during the last two years, according to OECD figures, taxes as a proportion of national income have risen 1 percentage point in France (from 42.7 to 43.7 per cent) ... and 4 points (36 per cent to 40 per cent) in the UK.

## Lombard

## Not all gloom in France

By David Marsh

large foreign borrowings it has been piling up over the past two years.

What is strange about the turn-round is that very few people seem to have noticed it. The French Socialists had had the press doctored and internationalised ever since the Government made its initial economic mistakes (like many newly elected administrations) in 1981. In fact, under M. Delors—who is presiding over a fairly middle-of-the-road mixture of orthodox fiscal and monetary policies and moderate price and wage controls, combined with a Socialist welfare safety net for the worst-off—many of the first year's mistakes have subsequently been un-made.

But with the news persists that France is going daily to the dogs. Some of the misinformation can only be classed as propaganda.

Pessimism is clearly contagious. The French national sport of complaining about their government, allied to continual overdone tidings of woes about tax rises, and economic downturn in large sections of the domestic Press, hardly contributes psychologically to improving the business climate.

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Nonetheless, the statistics issued over the summer show that the economy is responding, more quickly than many observers expected, to the Government's efforts to stabilise the franc, balance France's external accounts and reduce inflationary pressures. And the process is taking place without, so far at least, the massive loss of jobs and output which accompanied similar efforts at adjustment in Mrs Thatcher's Britain.

Some economists at the OECD, for instance, believe that, provided M. Jacques Delors, the Finance Minister, can stick to his guns for another six months, France in a year's time could be starting to repay ahead of schedule some of the

## Letters to the Editor

## Inconvenience - and pollution - from burning straw

From the Director, Paper and Board Division, Paper and Board Research Association.

Sir—You refer (August 24) to a report by Friends of the Earth which condemns straw-burning as unjustifiably wasteful. While it is difficult to accept their assessment that the potential value is £500m for the 5.6m tonnes of straw burnt each year, nevertheless it is more

than a reality. The use of straw for energy generation is if it were not so vulgar, and (1) it is not a proper form of carbon. In this country it has to compete with coal which many studies have shown it is incapable of doing.

Farmers have sought for a use of straw ever since the traditional uses disappeared but there is only one real end use worth contemplating and that is for papermaking. This country currently imports some 3.5m tonnes of paper and 2m tonnes of pulp. Some of this could be made from straw, thereby benefiting the balance of trade.

The use of straw for papermaking in the UK has long been debated but never resolved. The attitude of the British paper industry towards straw pulping remains profoundly sceptical mainly because of their experiences with supply and availability.

Nevertheless straw is an excellent paper-making material and were it to be available at an appropriate price it would be used. Papermakers, however, would like to buy pulp and straw—and are very likely to build a pulp mill to utilise straw. Any farmer likely to build a straw pulp mill to sell pulp?

Of course, there are technical difficulties but successful pulp

plants for straw exist. In the past progress has been hindered by a too naive view of the problem. In this context it is illogical to talk about the interests of the "UK paper industry". Even a layman recognises the difference between, say, banknote paper, toilet tissue and newsprint. The products are all made on papermachines but their manufacturers have little technical common ground. They all buy pulp, but the pulps they buy are as different as the papers they produce. Generality about the use of straw for papermaking are not going to resolve the problem. What is required is a detailed specific study and that the Government should take the lead.

D. Atwood  
Rural Roads, Leatherhead, Surrey.

From Mr W. Robson  
Sir—John Cherrington's article on straw burning (August 26) demands a response from the non-farmer to the arguments which he puts forward.

No one would deny that straw burning is both practical and economic to the farmer. Its practical advantage of weed control is contested even by the farming community show such a singular lack of sympathy to the inconvenience which one farmer can cause to so many thousands in the surrounding neighbourhoods by his atmospheric pollution.

Although one is shocked to read of the damage farmers have done to themselves in Norfolk by accidentally burning their own combines, tractors, hedges, trees and each other's standing corn never a thought is given to uninformed country dwellers who suffer a permanent rain of ash and

concern now is the Inland Revenue's policy of penalising these tax collectors "volunteers" if they reach a conclusion the Revenue considers wrong. In its attempt to force more of the self-employed into the more convenient and financially productive PAYE net, the Revenue is contesting the self-employed status of many of those giving their services to the small business sector. If the Revenue considers a person has been incorrectly classified it is now very likely to call on the business, rather than the individual, to account for the PAYE. The results can be crippling.

J. Davison  
Senior Economic Consultant, Simon and Coates, 1, London Wall Buildings, EC2

What is causing increasing

cinders at this time of the year. Presumably it is more economic and convenient for some of our large industrial complexes to discharge their effluent into atmosphere and water. Public opinion, supported by Acts of Parliament over the years, has enforced additional costs on to these complexes to ensure that they do not.

Cereal farmers earn a comfortable living aided by generous EEC grants and tax allowances. Hopefully, public opinion will force them to adopt a less selfish, albeit a more costly attitude, to others in the very near future. In the meantime, perhaps district council straw-burning bylaws could include with the £1,000 maximum fine a ban on burning for that offender for a period of up to, say, five years.

W. D. Robson  
22 Lockmore House, Ebury Street, SW1.

From the Managing Director, Bootham North Engineering

Sir—My company has spent the past two years on developing a commercially viable straw pulping plant.

We believe that the straw pulping plant will be able to convert straw into compact, combustible energy cubes, thereby giving the farmers the chance to put their straw to profitable use by using the cubes to cut their heating costs or by selling the cubes to the general public or industry.

With the development of our plant we believe the obvious problems and hazards of burning straw in the field could be at an end with the opportunity of providing a real alternative to this annual waste of resources.

E. Mason  
Bootham North Engineering, Claylands Avenue, Worksop, Notts.

What is causing increasing

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Mr Robert Mugabe

## Acquitted Harare officers detained

By Our Harare Correspondent

SIX WHITE Zimbabwean air force officers were detained indefinitely under the Government's emergency powers yesterday, minutes after being cleared in the High Court of sabotage charges.

The men had been accused of helping alleged South African saboteurs destroy 13 aircraft at the air base in July last year.

Police acting under orders of Mr Herbert Ushwakwana, the Minister of Home Affairs, took the men back to Chikurhiri maximum security prison in handcuffs, watched in dismay by sobbing relatives and whites who had packed the public benches.

Judge Enoch Dumbutshena, a black Zimbabwean, had acquitted the officers, four of whom hold joint British-Zimbabwean nationality, on grounds that their alleged confessions had been obtained through torture, beatings and illegal inducements. They had also been denied access to their lawyers through their interrogation, he said.

In London last night a Foreign Office spokesman welcomed the judge's verdict but described the new detentions as very disturbing. Britain is urgently seeking clarification of the detention order.

The acquitted officers included the former deputy air force commander, air vice marshal Hugh Slatter and Air Commodore Philip Pike.

Whites packing the public benches applauded and thumped the leather seats in joy when Judge Dumbutshena, a veteran black nationalist in the former Rhodesia, dismissed the officers' "confessions," found them not guilty and discharged them. When police soon afterwards detained the officers again, spectators erupted in anger, some shouting "black bastards" others "shame."

The outcome may well lead to resignations from many whites still serving as pilots and technicians in the air force, and damage morale among the estimated 170,000 whites in the country.

Considerable pressure by Britain and the U.S. in particular had been exerted on the government to allow the officers to go free if acquitted. Political sources said that Mrs Margaret Thatcher, the British Prime Minister had urged this course on Mr Robert Mugabe, the Zimbabwean leader, during his visit to London earlier this year.

Western diplomats in Harare said before the trial that redemptions would make it difficult for them in terms of domestic politics to maintain unqualified support for Zimbabwe. Mr Mugabe's old friends in the British Cabinet - notably Lord Carrington and Lord Soames - have gone, and the country now looks an anomicistic lobby in Whitehall.

Mr Mugabe will learn America's view when he meets President Ronald Reagan in Washington on September 13. The U.S. is Zimbabwe's biggest aid donor, with some £147m pledged, followed by Britain with £114m.

Zimbabwe desperately needs the aid as its economy reels under the effects of the world recession. No diplomats here are suggesting that either Britain or the U.S. would cut off support as a result of the redemptions, for the country is too strategically important, but it would make it difficult to sustain aid at former levels.

The government has now failed to secure convictions in four major subversion trials since independence in 1980.

## World Weather

Country	Temp	Wind	Pressure
Argentina	21	SW	1010
Bolivia	20	SE	1010
Brazil	20	SW	1010
Chile	20	SW	1010
Colombia	20	SW	1010
Ecuador	20	SW	1010
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## SECTION II - INTERNATIONAL COMPANIES

# FINANCIAL TIMES

Thursday September 1 1983

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Lufthansa  
expects to  
stay in  
the black

By Our Frankfurt Correspondent

LUFTHANSA, the West German airline, hopes to make further profit this year, although it notes that problems are appearing in the form of the high dollar exchange rate, a new rise in fuel bills and high interest rates.

Discount fares could also cause difficulties if they became more widespread, the airline said.

Lufthansa, which is more than 80 per cent state-owned, expressed satisfaction with performance in the first half of this year.

Gross operating revenue was up 2.3 per cent on last year's level at DM 4.5bn (\$1.3bn). Passenger traffic was up 2.3 per cent, while freight volume increased by 10.3 per cent.

The airline carried 6.0m passengers, 217,700 tonnes of freight and 26,700 tonnes of mail.

Last year Lufthansa sharply improved its results with a profit of DM 45m after taxes and paid a dividend of DM 2.50 on both ordinary and preference shares.

Heinz Heinz Buhnen, who took over as chief executive last year, pointed out recently that earnings had grown faster than costs in the first half of this year.

Lufthansa spent DM 524m on capital investment in the first six months of this year. Most of the outlay went on aircraft and reserve engines.

Six of the new Airbus A 310 aircraft have been flying with Lufthansa since early July. The airline has a fleet of 180 aircraft, with an average age of about five years.

**Brown Boveri**  
subsidiary has  
midway rise

By Our Bonn Correspondent

BROWN Boveri (Mannheim), the West German subsidiary of the Swiss engineering group, boosted profits in the first half year and sharply increased sales, especially abroad.

The company attributes the (un-specified) profit improvement to renewed rationalisation. Last year net profit dropped to DM 6m (\$2.23m) from DM 20m in 1981, and reserves were drawn upon to help maintain the dividend.

Group external sales in the first half against the same period of 1982 rose by 14 per cent to DM 2.1bn. Foreign sales jumped by 29 per cent thanks to several big industrial plant contracts, while domestic turnover was up by just 3 per cent.

The orders picture was less satisfactory. Incoming orders rose by only 2 per cent to DM 2.6bn, based on an increase of 1 per cent at home and 4 per cent abroad.

The number of company employees fell in the first half year by 333

## Dutch insurers improve first-half net profits

By WALTER ELLIS IN AMSTERDAM

NATIONALE Nederlanden, the biggest Dutch insurance group, raised its net profit by 1.7 per cent to Fl 197m (\$64.5m) in the first six months of this year. At the same time, AGO, a smaller insurance concern which is at present negotiating a merger with the Ennia group, saw its earnings rise ahead by 10 per cent to a new total of Fl 55m.

Total domestic revenue at Nationale Nederlanden during this year's first half increased by 13.5 per cent, to Fl 8.5bn, aided by continuing growth in life insurance and investment income and a "very modest" advance in the non-life sector.

Outside the country, revenue was up 17 per cent, with exchange rate fluctuations playing little part

in the result. Increases in the values of the U.S. and Canadian dollars were offset by falls in currencies elsewhere.

Non-life affiliates in Canada continued to improve, and there were also signs of a recovery in the U.S. However, poor non-life results from Mercantile Mutual depressed the overall picture.

Nationale Nederlanden says that the extremely erratic movements of non-life results make it difficult to forecast whether the favourable overall trend in the six months to July will continue to the end of the year. It would, however, expect results for the 12 months to be at least equal to those for 1982. An interim dividend has been set of Fl 4.10 per share.

Investment income also recovered sharply. That from the Netherlands itself went up by 13 per cent, and U.S. investments soared in value by 41 per cent, bringing income from the sector to a total of Fl 563m.

## Papermakers in political clash

By PAUL BETTS IN PARIS

THE FUTURE of La Chappelle-Darblay, the large French paper manufacturer accounting for more than 85 per cent of French newsprint production, is becoming a major political confrontation between the M. Laurent Fabius, the French Industry Minister, and the powerful pro-Communist CGT labour confederation.

The controversy reflects a marked change in the industrial policy of the French Socialist-Communist coalition government, which has recently adopted a tougher approach to the restructuring of large industries.

The CGT is opposed to the latest government restructuring plans for

the troubled newsprint group based in Rouen. The plan would involve laying off 1,500 people or three quarters of the workforce of 2,100 and the management control of the company passing to Parcours, the leading Dutch paper concern.

For M. Fabius, the affair has been especially difficult as Rouen is his parliamentary constituency. Despite the growing local protest against the Government's plans fuelled by the CGT, M. Fabius has stood his ground firmly, arguing that there was no alternative for the newsprint group except the Dutch venture compiled with the layoffs if La Chappelle-Darblay is to survive as a going concern.

The company has lost an estimat-

ed FF 15m (\$1.85m) a month during the past two years and has received subsidies from the Government totalling FF 3bn during this time.

The CGT now intends to intensify its campaign to stop the proposed Dutch rescue plan for La Chappelle-Darblay. Its moves include a call to members in the printing unions not to publish French newspapers from September 19 to 23 which do not print on French produced paper.

The strong line so far adopted by the Government, however, suggests it is willing to face the unions' hostility while maintaining its commitment to retain a newsprint industry in France.

## KHD reduces costs to offset falling sales

By JONATHAN CARR IN BONN

THE West German engineering concern, Klöckner-Humboldt-Deutz (KHD), expects another satisfactory profit this year despite falling sales and orders in the first half, especially abroad.

The company explains its confidence by saying it has had further success in cutting costs in all sectors.

Last year, net profit rose by DM 12m (\$4.6m) to DM 49.8m, and the dividend was increased, although sales were not buoyant.

Parent-company turnover dropped by 9 per cent between January and June against the first half of 1982 to DM 1.6bn. While domestic sales fell by 4 per cent to DM 724m, sales abroad plunged by 13 per cent to DM 916m.

Things are likely to improve a little in the second half. KHD has been negotiating one or two big deals, and these are likely to emerge as firm orders by the end of the year.

At mid-year, orders in hand were worth DM 3.3bn, 9 per cent less than a year earlier, and KHD employed 21,500 people - about 1,000 fewer than at the end of 1982.

## Earnings up by 42% at Bang and Olufsen

By Hilary Barnes in Copenhagen

BANG & OLUFSEN, the Danish manufacturers of colour television sets and stereo equipment, increased earnings in the year ending in May by 42 per cent to Dkr 30m (\$3.1m) on sales up by 12 per cent to Dkr 1.3bn.

An unchanged 10 per cent dividend will be paid and the company plans a Dkr 25m share issue this autumn, with no preference for existing shareholders and priced at market value, which at yesterday's share price will bring the company Dkr 105m. The issue will take the nominal value of the company's share capital to Dkr 100m.

The earnings improvement is expected to continue in the current year, when profits are budgeted to increase to Dkr 45m.

## Wella gets set for the stock market

By JOHN DAVIES IN FRANKFURT

WELLA, the hair-care company based in Darmstadt, West Germany, whose products have found their way into virtually every country in the world, is taking a cautious step towards a share market listing.

Founded by Franz Strober in 1880, the company has survived the chaos of two world wars and the financial turmoil of the Weimar republic. Today, it employs 10,000 workers in 27 countries and expects sales revenue this year to reach DM 1.4bn (\$320m).

As many other large West German enterprises, Wella has so far remained a family concern, entirely in the hands of Strober's descendants, and has felt neither pressure nor incentive to make a stock market listing.

Now, although taking a few chances of losing control of its af-

fares, Wella is making a public offer of more than 540,000 non-voting preference shares. They have a nominal value of DM 50, at a price of DM 340 per share.

The share offer, being organised through a heavyweight consortium headed by Deutsche Bank, Dresdner Bank and Commerzbank, will raise some DM 184m. The company says the new funds will be used to strengthen its capital base and will provide the foundation for further growth.

The shares will be traded on the Frankfurt stock exchange, possibly from September 12. Although the distance from Darmstadt to Frankfurt is small in terms of kilometres, the journey takes Wella into uncharted territory.

Wella executives have conceded that they have steered clear of the

stock market so far partly because they were "publicity-shy." This era ended, however, as executives outlined company history and plans to journalists at a presentation pre-sided over by none other than Dr Wilfried Guth, one of the two top managers of Deutsche Bank.

Wella's move illustrates some basic aspects of the West German financial system.

The new shares will qualify for a DM 1 higher dividend than ordinary shares and dividend rights will be retrospective to July 1 this year. The half-year dividend for preference shareholders is estimated at DM 4 per share.

The group made a worldwide net profit of DM 52m last year, with more than 70 per cent of the DM 1.3bn sales revenue being earned abroad.

With the market showing more

## F. L. Smith faces loss

By Our Copenhagen Correspondent

F. L. SMITH, the Danish engineering company specialising in cement plant and cement-making machinery, will be unable to maintain last year's 12 per cent dividend next year, the company said.

It has lost over Dkr 200m (\$20.65m) on a cement plant under construction in Algeria. As a result, sales manager, Mr Ole E. Ersbøll has resigned.

The parent company is now expected to make a loss this year, its first since 1945, and, although the other 85 subsidiaries and associated companies in the group have generally shown positive development in the first half of this year, they will not be able to make up for the parent company's loss, said the chairman, Mr Erik Møllerup.

## Air Florida in debt change

By Terry Dodsworth in New York

AIR FLORIDA, the loss-making U.S. airline, has succeeded its restructuring a small part of its debt. But it said yesterday that it was still threatened with closure.

The airline has renegotiated plans on part of a \$45m loan from InterFirst Bank. But failure to make payments on the InterFirst loan, and on notes issued in connection with an Federal Aviation Administration guaranteed loan, has led to the reclassification of \$91m of long-term debt.

As a result, the company now has \$116.5m of short-term borrowing subject to demand for immediate payment.

Air Florida has taken extensive cost-cutting measures in the last

## Rescue bid for Abba investment company

By Kevin Done in Stockholm

KUBEN, an investment company associated with the Ahola pop group, was allowed to resume trading yesterday by the Stockholm stock exchange after the board published a rescue plan.

Kuben ran into problems last year when it seriously overstretched its financial resources. It spent around SKr 300m (\$37.9m), buying company shareholdings and investing in oil while financing the purchases largely through debt.

Trading in Kuben stock was stopped last Friday because the stock exchange had grown alarmed about the lack of financial information being provided for its small shareholders. Its affairs had been investigated by stock exchange auditors.

Three Abba group members, Björn Ulvaeus, Benny Andersson and Agnetha Faltskog, hold small direct stakes in Kuben. They also hold further stakes indirectly through another investment company, Polar Music Inc.

Kuben itself has a subsidiary collecting the royalties from Abba records. Its main holding is a 97 per cent stake in Monark, the Swedish maker of bicycles and leisure products.

The Abba group members have largely gone their separate ways in recent months and both Miss Faltskog and Annifrid Lyngstad have issued successful solo albums. Miss Faltskog has also recently begun a film career.

Miss Lyngstad, who has moved from Sweden to London, has sold her interests in the Abba empire before Kuben and its associated companies became surrounded by rumours in financial markets.

Under the rescue plan Kuben now proposes to sell holdings of stock and real estate interests to reduce debts.

## SHARE BOOM DESPITE ECONOMIC CRISIS

## Mexican stocks leap

By WILLIAM CHISLETT IN MEXICO CITY

MEXICO, suffering its severest eco-

nomic crisis in 30 years, as measured by slow growth and international debt problems, is also binding that its stock exchange is performing remarkably well.

The 42-stock price index has more than doubled its level of 671.3 at the start of the year to around 1,560, with a peak of 1,703 having been reached in July. The increase in stock market value in the first half of the year, from 258 pesos to 789 pesos.

This applies, for example, to mining companies such as Penoles, the world's largest single producer of silver, whose share price rose 200 per cent in the first half of the year, from 258 pesos to 789 pesos.

Companies have been driven

close to failure by the extra cost of servicing their foreign debts caused by the 82 per cent devaluation of the peso.

In another context, the shares of

Cemesa, the wire, rope and cable manufacturer and the associate of Bridon, rose 610 per cent, from 17 pesos to 122 pesos.

The Government scheme, called Ficorca, gives foreign exchange advantages and makes available pesos for the majority of companies having little liquidity, provided that debts are restructuring over six to eight years with three to four years grace.

Just as the stock market foresees Mexico's crisis, so the market is seeing a recovery next year," says one leading stockbroker. "With this in mind, investors are taking positions in Ficorca for 1984."

The factors behind the steady rise in the index have worked on a thin volume of trading and from a low base, and reflect a series of economic achievements, suggesting that the Mexican private sector, for all its problems, is not as shattered as many people have feared.

International oil prices have stabilised, a vital factor for Mexico, which relies on oil for 75 per cent of its export revenues, and is the worse off by \$550m for every \$1 drop in the price.

Inflation is coming down, although it will still be about 80 per cent this year. So far are the high domestic interest rates, and there was a record \$6.5bn trade surplus in the first half of the year.

Under the rescue plan Kuben now proposes to sell holdings of stock and real estate interests to reduce debts.

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Oriental Credit Limited, a Licensed Deposit-Taker, incorporated in the UK in 1979 with its Head Office in the City of London, specialising in International trade finance is opening a new branch in Manchester later this year.

Candidates must have a wide experience in international banking and a thorough knowledge of the UK banking scene, including involvement of financing the trade between the UK and the developing countries.

The successful candidate will already have achieved considerable responsibility but will be looking for the opportunity to assume direct control for marketing, managing, innovating and profitability in an expansionary environment.

Salary is negotiable and will be supplemented by a comprehensive range of fringe benefits.

Applications should be addressed to:

Paul Hartley, General Manager - Operations, Oriental Credit Limited, 80 Cannon Street, London, EC4N 6LL.

 Oriental Credit  
A developing world of business.

## WANTED: SLIGHTLY USED EXECUTIVES

If you are an able, experienced executive or professional person, yet somehow are not making the most of your potential, perhaps you need a new approach to your career. To learn how 'slightly used' executives have profitably renewed their careers, telephone for an appointment of up to four hours free consulting — or send us your c.v.

 CHUSID

The Professionals in Career Management, London 01-589 6777, WPI 549. 25-37 Fleet Street, London EC4P 4BS. Birmingham 021-225 4820, The Rotunda, 2nd Floor, 225 Corporation Street, Birmingham B2 5JL. Manchester 061-228 0009, Surrey Building, Piccadilly Plaza, Manchester M1 2PA. Glasgow 041-332 1562, 141 West Nile St, G1 2RN. Belfast 0232-228768, 22 Great Victoria St, BT7 1ER.

## BROKER

Sales person required to assist marketing of Japanese securities to UK and European clients. Knowledge of Far East and experience in broking preferred but not essential.

Replies in writing to:

Ray Bates

Bache Securities (UK) Inc., Plantation House, Fenchurch Street, London EC3M 3EP.

## HEAD OF MERCHANT BANKING

### International Bank

### Dublin

A new merchant banking operation is to be set up in Dublin. It will be a sub-division of the merchant banking arm of one of the largest banks in the world. The Bank already has a lead position among foreign banks for its institutional business in the Republic of Ireland.

As Vice President in charge of merchant banking you will be setting up an operation from scratch but with introductions to a strong set of institutional banking clients. You will be expected to seek out new market opportunities for either existing or new products of the bank. The brief is unusually open. It is an opportunity to build your own operation.

You must have an excellent record of either international banking or money market activities in London or Dublin and you need to be an entrepreneur at heart. A full senior banking package is provided with generous allowances if international relocation is involved.

Your name will not be released until we have briefed you and you have given your consent. Please write to me, Terence Hart Dyke, consultant to the Bank.

Business Development Consultants (International) Ltd  
63 Mansell Street  
London E1 8AN



## Information Systems Manager

### Insurance Brokers

Around £17,500 plus car

Our client is a very successful international firm of Lloyds brokers established ten years ago and still expanding rapidly. Some 200 people are employed, mainly in London and North America.

The Information Systems Manager, a new appointment, will be responsible for existing System 10 computer systems and for advising the Board on the future development of computer and information technology in the company.

Candidates must be experienced financial DP systems managers as well as being profit-conscious business men or women. Previous insurance experience is not essential.

Salary for discussion plus bonus and car.

Please write in confidence stating how the requirements are met to David Bennell ref. B.43733.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited, 52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australia and Asia Pacific.

 HAY-MSL

MANAGEMENT SELECTION

## An Entrepreneur/ Financial Analyst

c £25,000 + incentive bonus + car

London

is required by our client, an offshore investment holding Company. Originally formed in 1969 for a substantial Euro dollar flotation, the holding company now wishes to move to a more active investment position in the U.K. by setting up a subsidiary company operation.

Whilst direct experience of setting up such an operation is not essential, a practical track record of achievement in financial and balance sheet investigations, which have led to successful investments, is. In doing this you will have developed and nurtured a wide range of positive contacts in areas such as banking, finance and associated professionals. You will also have a background as a qualified accountant with personal qualities of flair, drive and initiative. This background should enable you to generate and expand profitable investment opportunities for the company in the U.K. and Europe using a sound cash asset base.

As a Director of the new U.K. company from the outset, the challenges and rewards for establishing a sound reputation and financial footing for the company and its diverse investments will be high.

In the first instance, please write in complete confidence, submitting a concise curriculum vitae and quoting reference No. 1983 to:

Peter Childs,  
Pannell Kerr Forster Associates,  
Lee House,  
London Wall,  
London EC2Y 5AL.

Pannell Kerr  
Forster  
Associates  
INVESTMENT CONSULTANTS

## INVESTMENT BANKING Senior Technology Appointment

A major International Bank is significantly increasing its worldwide Investment Banking operation. This development has created an immediate opportunity for a seasoned Technology Expert who will be responsible for identifying and implementing medium and long term technology plans, for the Bank's global investment activities.

As a member of a highly professional team you will be based in London, but will be required to travel frequently overseas, as the region includes Europe, Middle East, Africa and Asia and you will have a close working relationship with counterparts in these areas.

You will focus on establishing liaison forums with management and technical staff from other divisions in the Bank, so that

 MOXON  
DOLPHIN  
& KERBY LTD

resources will be shared where appropriate.

Ideally you should have a degree in a business related subject, as well as extensive technology and management experience, preferably gained in a multi-national organisation. The ability to make a creative contribution based on your sound knowledge of Investment Banking is essential.

An attractive compensation package will fully reflect your experience and qualifications.

Please write giving full career details and quoting ref. MG/4028/FT to M. Gilming, Moxon Dolphin & Kerby Ltd, 178-302 Great Portland Street, London W1N 5TB. Please indicate in a covering letter any companies to whom you do not wish your application sent.

## Top Executives

earning over £20,000 a year

Can you afford to waste nearly £2,000 a month in delay? Minster Executive specialises in solving the career problems of top executives. The Minster programme, tailored to your individual needs and managed by two or more partners, is your most effective route to those better offers, 75% of which are never advertised.

Our clients have an impressive record of success; many blue chip companies retain our services in the redeployment of their top people.

Telephone or write for a preliminary discussion without obligation—or cost.

MINSTER EXECUTIVE LTD

28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309 / 1085

## بنك الرياض

THE RIYAD BANK, a leading Saudi Arabian Bank, is currently engaged in the formation of a London Branch. We are currently seeking the following senior executives to assist in the development of the Bank's international operations:

### Money Market/Foreign Exchange Manager

A mature person, reporting to the Branch Chief Manager, you will have gained substantial trading experience within an active dealing environment.

### Marketing/Credit Manager

A professional banker, reporting to the Branch Chief Manager, you will have gained wide international experience of marketing and credit assessment with a major international bank or merchant bank. The ability to select suitable staff, motivate and manage them to achieve realistic targets is essential.

### Deputy Operations Manager

Reporting to the Operations Manager, you will have gained solid administrative and operational management experience in international banking. We would particularly welcome applications from individuals with substantial experience of Documentary Credit.

Salary and benefits package will fully reflect the importance and responsibilities attached to the respective positions. Absolute confidentiality is assured.

Please write with full personal and career details to:

Chief Manager, Riyad Bank, 4/6 Copthall Avenue, London EC2R 7DA

## RIYAD BANK



## Morgan Grenfell & CO. LIMITED.

### Senior Economist

We are still seeking an experienced economist to work in a senior position within Morgan Grenfell's economics department. The department, which is part of the Central Management Division, works with and provides specialist advice to all the major operating divisions of the Bank.

The successful candidate must have the ability to head a team of talented young economists, will preferably be in his/her early thirties, and is likely to have a First Class Honours Degree from a leading university. He/she will have a successful track record in either the public or private sector, and possess both a keen appreciation of, and interest in, the relationship between the financial and real economies.

Remuneration will be based on experience and will include such benefits as a preferential mortgage scheme, non-contributory pension, BUPA, etc.

Please reply in writing to:

P.M. Lefevre, Head of Personnel, Morgan Grenfell & Co. Limited, 23 Great Winchester Street, London EC2P 2AX

Experience not essential, flair fundamental.

## INVESTMENT ANALYST

If you are the type of individual we are looking for, you'll know that investment is central to the function of a life assurance organisation. You'll also know that the Investment Analyst is a key figure.

You have a good honours degree (not necessarily in economics or accountancy) with about three years' experience in industry or commerce. You are numerate with a strong interest in and some knowledge of finance and investment — though perhaps not involved directly in that field at the moment. You have a definite flair for absorbing and assessing information and forming clear judgements.

If your application is successful you will be trained and developed on the job before being given personal responsibility for certain sectors of the equity market.

We will give you an excellent salary which we will review regularly. We also have a non-contributory pension scheme and a very attractive staff house purchase scheme. But above all we will give you a very worthwhile career.

Apply in writing with details of your background and experience to:

The Staff Manager, The Scottish Provident Institution, 6 St. Andrew Square, Edinburgh EH2 2YA.

 SCOTTISH  
PROVIDENT

## Corporate Finance Executives

A leading City Merchant Bank is seeking a number of individuals for its highly active Corporate Finance department. Candidates should be graduates, aged 24-28, and hold a professional qualification. Although a high standard of academic achievement is important, we will be more concerned with identifying a fighting spirit, a hunger to learn, a committed attitude, an insistence on high standards and, not least, a sense of humour. For the right people the financial package will be very attractive and due to the rate of expansion the prospects for promotion for a performer are excellent.

Please contact Philippa Rose

Philippa Rose & Partners Limited

Recruitment Consultants

18 Eldon Street

London EC2M 7LA



Telephone:  
01-588 5196

**BANKING BANKING BANKING**

**BANK AUDITOR** £17,000 plus exceptional benefits  
Ideal opportunity with this aggressively expanding international bank for a self-motivated CA, preferably with bank audit experience. Initially responsible for City broad audit, career progression will be rapid, into mainstream banking or an overseas post.

**MARKETING OFFICER - European Travel** £15,000  
Internationalisation of activities has created demand for a major international bank to expand its marketing team. This manager position offers great scope to identify and develop new business areas. Candidates already marketing bank facilities successfully will be most eligible.

**ACCOUNTANT** to £12,000  
No. 2 position, carrying broad functional responsibilities, within a well-established European bank. Assisting the Chief Accountant, the ideal candidate would be a young banker with good knowledge of accounting procedures, currently seeking challenge and greater involvement.

Please contact: Felicity Hether on 01-406 2813

**ROBERT HALF**  
SEARCH & SELECTION  
170 BISHOPSGATE, LONDON EC2M 4LX • 01 623 1266

**LEASE MARKETING EXECUTIVES**  
An established City-based leasing company seeks 3 executives due to expansion.  
Candidates must have financial or sales backgrounds and experience in at least one of the following areas:  
- negotiation of lease financing agreements  
- organisation and operation of sales-aid schemes  
- lease broking and lessor management  
They should be profit orientated, able to communicate at all levels and aged between 25-35 years.  
Salaries are very negotiable according to age and experience, but will be in the range £10,000-£15,000 + company car etc. Future prospects are excellent.  
Please telephone or send detailed CV's in confidence to Brian Gooch or Jill Backhouse

**Jonathan Wren** BANK RECRUITMENT CONSULTANTS  
170 BISHOPSGATE, LONDON EC2M 4LX • 01 623 1266

**INTERNATIONAL BANKING**

**SENIOR CREDIT ANALYST(S)** £12,000-£15,000  
On behalf of one "household name" merchant and two prominent international banks, we seek people with many sound skills in technical analysis, accounting and banking. Particulars of an A.C.A. qualification together with the personal ability to make judgments in a commercially pressured situation.

**INTERNAL AUDIT** c. £12,500  
An opportunity for an A.C.A. with some exposure to the world of international banking to embark upon a career "on-the-make" — by no means permanently confined to the audit function. Capability in German highly desirable.

**ACCOUNTS SUPERVISOR** to £11,000  
Major merchant bank seeks a thoroughly capable person to manage accounts department. Experience in banking and the "trade" would suit a mature (35-50) lady or gentleman with several years' international bank accounting experience and strong people skills.

**EURO. LOANS ADMIN.** c. £7,500  
Well-established European bank — as yet under name but well established — offers 1st class career opportunities to a young banker, early 20s, with solid loans administration experience and the potential to respond to challenge.

Please tel: John Chiverton, Ann Costello or Trevor Williams

**JOHN CHIVERTON ASSOCIATES LTD.** 5, CASTLE COURT, LONDON EC2R 01-623 3861

## EXECUTIVE RECruITER

### OUTSTANDING OPPORTUNITY

International executive search firm headquartered in U.S.A. with offices throughout Western Europe and engaged in high technology and financial recruiting seeks a managing associate for a start-up office in London. Ideal candidate will have three or more years of high technology and/or financial recruiting of management personnel, plus administrative talent.

Excellent compensation and benefit package; partnership potential after one year.

Write in complete confidence to: Box A5275  
Financial Times, 10 Cannon Street, London EC4P 4BY

### ELECTRICAL ANALYST

Age 26-34 Up to £20,000 Basic

The Research Department of a leading firm of stockbrokers is seeking to expand its coverage of the electrical sector.

The ideal candidate will have 2/3 years experience of research into the electrical sector from within a stockbroking firm or company in the electrical or electronic fields. In addition to the basic salary there is a generous profit share and prospects of a partnership for the right candidate.

Please apply in confidence to I. H. Willis:

**IAN WILLIS ASSOCIATES LTD.**  
Executive Selection Consultants  
16 Regency Street, London SW1P 4DD.  
Tel: 01-521 6543 or 01-521 6229.

### PROPERTY FINANCE

#### ASSISTANT TO MANAGING DIRECTOR

Seymour Adelaide & Co is the leading UK property finance consultant and broking company. It specialises in advising on and organising banking and institutional funds for the property sector. Due to the expansion of its activities, the company now seeks an assistant to the Managing Director. He/she will be expected to assist in processing and administering cases, in promoting the company's activities and in liaison with clients, lenders and professional advisers. The successful applicant will preferably be under 30 and have knowledge of property and property finance from experience with a bank, institution or professional firm. Previous experience in the field is not essential provided the individual has a professional attitude, training and is capable of dealing with matters on his/her own initiative. An attractive remuneration package and excellent career prospects are offered. Applications, which will be treated in the strictest confidence, should be sent, with full details of past experience to:

The Managing Director, Seymour Adelaide & Co, Ltd., 88 Baker Street, London W1M 1DL. Tel: 01-925 2382

### FOREX APPOINTMENTS

For Forex/LIFFE/Money Market appointments at all levels discuss your needs, at no cost, with a specialist  
**TERENCE STEPHENSON**  
13/14 Little Britain  
London EC1A 7BX  
Tel: 01-806 6834  
20 years market experience

COMMERCIAL BROKER/Account Executive required by a growing international investment group. Previous experience preferred but not essential. Comprehensive training given. Attractive remuneration package and job satisfaction. Phone 01-630 5644.

## Merchant Bank Investment Management

Our client, a leading Merchant Bank, has asked us to help fill several openings in their Investment Management Team.

#### Sales Executives - Unit Trust Department

Several Sales Executives are required to join a team selling to professional investment advisers. No selling experience necessary nor a background in unit trusts, but some knowledge of the investment world helpful.

#### Senior Manager - Fixed Interest Department

This is more of a departmental than a fund management role, and the successful applicant will be expected to direct other fixed income portfolio managers and to be instrumental in developing strategy and techniques in the UK fixed interest market.

#### Senior Sales Executive - International Fixed Interest Department

This department needs an aggressive internationally orientated sales executive, who has had considerable fixed interest fund management experience. The person should be prepared to travel extensively, primarily in the US.

#### Investment Management UK or US

Fund managers with at least two years' experience of the UK or US markets with an interest in looking after portfolios of different emphasis and size in those markets.

#### Pension Fund Manager

An experienced person is needed, who enjoys meeting clients both existing and prospective, with a proven track record as a fund manager.

Ages for all positions would ideally be in the 25-35 range.

Please send full CVs with salary levels to:

Simon Tooth,  
BOYDEN INTERNATIONAL LTD,  
148 Buckingham Palace Road,  
London SW1W 9TR

**BOYDEN**

## Assistant Investment Manager YORK

The Rowntree Mackintosh Pension Fund, which is currently valued at over £140m, is actively managed by a small but highly professional team.

The Fund itself is widely diversified, covering property and land as well as gilts and equities.

The size and structure of the department means that each member of the team has to be able to contribute advice on these investments.

We are looking for someone who is keen to develop their career in investment. They may come from a pension fund or a stockbroker or any area of fund management.

What really matters is an enthusiasm and ability for investment work coupled with the type of personality which is happy dealing with the pressure of the stockmarkets and yet sympathetic to an individual member seeking to invest commutation money.

York is only two hours journey from London and we have the latest in communication technology to enable the distance from the City to be immaterial. There is the added attraction of York being a historic City surrounded by beautiful countryside.

If you think this may be of interest please write giving details of your education and experience, with an indication of the salary which you seek to: Miss D. M. N. Dick, Staff Officer, Rowntree Mackintosh plc, York YO1 1XY.

This appointment is open to men and women.

**Rowntree Mackintosh**

## MAJOR BRITISH INTERNATIONAL PUBLIC COMPANY

### Wishes to appoint

#### 1. Finance Director:

Banking, Treasury/General Financial Management Experience

#### 2. Treasurer:

Banking, Treasury Experience

#### 3. Group Financial Controller:

Engineering Construction/Industrial Experience  
Reporting to Chief Operations Executive

Location: North West of England. For confidential consideration, please forward C.V. to main board director assigned to this search under:

Box A380, Financial Times

10 Cannon Street, London EC4P 4BY

## ARAWAK TRUST COMPANY (CAYMAN) LIMITED

(a trust company based in the Cayman Islands and owned principally by international banks)

### SEEKS A

#### TRUST/BANK OFFICER

FOR ITS SUBSIDIARY IN THE ISLE OF MAN

Applicants should have at least 5 years' experience and preferably an A.I.B. banking or trustee diploma or be studying towards this or a similar qualification.

Please write, giving details of qualifications, experience etc. to:  
Mr. T. A. Barnham, General Manager  
ARAWAK TRUST SERVICE COMPANY LIMITED  
P.O. Box 34, Douglas, Isle of Man

## ASSISTANT FUND MANAGER

required for a leading financial services group specialising in the executive market. The applicant will be required to administer portfolios of unit trusts and fixed interest funds. He or she will probably be aged between 27 and 35, will be used to working in a fast moving environment and have knowledge of micro-computers. Salary negotiable and will be attractive to the right person.

Please reply to:

PELINCRAIG FINANCIAL PLANNING LIMITED  
26/27 Downing Street, Benthorn

Surrey GU8 7RD

## Investment Management

This is an opportunity to join a leading Life Office which has a fine record in the management of large funds.

- INITIAL RESPONSIBILITY is for the UK Equity Portfolio currently around £500m. An actuary is preferred but directly related experience and achievement is the essential requirement.
- REMUNERATION over £25,000 plus a car. Preferred age early thirties. City base. Career prospects are very good.

Write in complete confidence to G. W. Elms as adviser to the Company.

**TYZACK & PARTNERS LTD**  
SEARCH & SELECTION  
10 HALLAM STREET  
LONDON WIN 6DJ

## GENERAL MANAGER, FINANCE & ADMINISTRATION

**NORTH WEST** £12,000 plus Car Fully Negotiable

We are a medium sized and privately controlled company and have established ourselves as a profitable and rapidly expanding market leader as Supplier to Armed Forces all over the world. The new General Manager will assume full responsibility for finance, management information systems and commercial administration in an exciting dynamic environment. The successful applicant will preferably be a Senior Accountant and/or possess a Degree in Business Administration, be aged 30-35, and have a track record of achievement gained within a fast-moving commercial environment. Only candidates who possess the qualities of leadership and management expertise required to make a major contribution to the company's general management and commercial matters at executive level should apply.

Please apply, in confidence, to:  
**MARVELFAIRS LIMITED**  
255 Ealing Road, Alperton, Wembley, Middlesex

## Scrimgeour, Kemp-Gee & Co

Members of The Stock Exchange



Seek:

### INSTITUTIONAL EQUITY SALES EXECUTIVE

The candidate will have some years experience in Broking, or in Fund Management and will join an existing team. Preferred age 28-35. An enthusiastic, professional and hard-working approach to the task is a must. Career prospects are excellent, and competitive remuneration — including profit-sharing and other benefits — is offered. Please write, in confidence, to:

Ian Dipple, Scrimgeour, Kemp-Gee & Co.,  
20 Copthall Avenue, London, EC2R 7JS

## SENIOR LEASING REPRESENTATIVE

**MULLIONWOOD LIMITED** an established leasing company (a subsidiary of BRENGREEN (HOLDINGS) PLC) seeks applications arranging leases for high value motor vehicles and medical/dental equipment. Salespersons with extensive contacts in these sectors would be ideal.

A competitive salary will be paid, together with car and benefits. City office.

Please send full details to:

MR. A. W. COOK  
DIRECTOR,  
BRENGREEN (HOLDINGS) PLC,  
BRENGREEN HOUSE,  
61, CHEAPSIDE,  
LONDON EC2V 6AX.

## EUROBOND DEALER

This small, but active International Bank wishes to recruit an experienced dealer to take charge of its Eurobond operation. Working under a Director the successful applicant will have total responsibility for all dealings both in the primary and secondary markets encompassing FRN's, Straights, Convertibles etc. Supervision of junior administrative staff is involved.

Please contact Richard Meredith

## LEASE MARKETING EXECUTIVE

Due to expansion of their UK leasing division, an opportunity exists for an ambitious leasing executive aged c.30 years to market the big ticket leasing services of this major international bank. A proven track record in negotiating, pricing and structuring leasing transactions in the £1-£10 million range is essential. Candidates must be well motivated, articulate and have gained experience within a merchant or international bank.

## CREDIT ANALYST LEASING

A major US bank's leasing subsidiary currently seeks a credit analyst. Applications are invited from either graduate bankers with at least three years company balance sheet analysis experience or leasing administrators experienced in processing credit applications concerning complex big ticket leasing transactions in the £1-£5 million range.

Please telephone or send detailed CV's to Brian Gooch/Jill Backhouse.

Applications will be dealt with in strict confidence.

**Jonathan Wren** BANK RECRUITMENT CONSULTANTS  
170 BISHOPSGATE, LONDON EC2M 4LX • 01 623 1266



**RECRUITMENT CONSULTANTS**  
35 New Broad Street, London EC2M 1NH  
Tel: 01-588 3588 or 01-588 3576  
Telex No. 887374

An opportunity to play a key role in International Securities.



### INSTITUTIONAL SALES AUSTRALIAN MARKET

HIGHLY COMPETITIVE SALARY

INTERNATIONAL FIRM OF STOCKBROKERS EXPANDING THEIR AUSTRALIAN DESK

This vacancy calls for candidates aged in their 20's or early 30's, who have achieved at least 2 years' successful practical experience servicing institutional clients, gained either in London or Australia. A mix of both locations, having lived in Australia, will be a definite advantage. Responsibilities will cover the continued build up of business for institutions and substantial private clients on Australian industrial, oil, gas, and mining stocks. This liaison will be maintained with a substantial and successful mining team. Periodic visits of up to 6 weeks to Australia will be necessary. The successful candidate will be expected to carve out a significant share of business in this market, backed up by excellent research, and where necessary, additional training will be provided. A highly competitive salary + bonus is negotiable, + contributory pension. Applications in strict confidence under reference ISAM 4200/FT, to the Managing Director.

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,  
35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-438 9216

Opportunity for promotion within 6-12 months.



### ASSISTANT SPOT DEALER

CITY

£12,000 - £15,000

LEADING INTERNATIONAL BANK, A PRIME NAME IN THE MARKET

We invite applications from dealers aged 22-25 who must have experience of the spot market preferably on the cable side in a bank. The successful candidate must be self-motivated and be able to work in a demanding yet stimulating environment. It is expected that the successful candidate will be promoted to full dealer status within 6-12 months. Initial starting salary is likely to be in the range £12,000-£15,000 and will be supplemented by a full range of banking benefits. Applications in strict confidence under reference ASD14990/FT will be forwarded unopened to our Client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON, EC2M 1NH.

Opportunity for ambitious U.K. Institutional Salesperson to switch to, train, visit and succeed in the Far East markets.



### STOCKBROKING — INSTITUTIONAL SALES PACIFIC BASIN

LONDON

HIGHLY COMPETITIVE SALARY

EXPANDING FIRM OF INTERNATIONAL STOCKBROKERS NOTED FOR THEIR EXCELLENT RESEARCH

Applications are invited from candidates, aged 24-28, preferably University graduates, who have acquired at least 2 years' successful sales experience in either the U.K. or overseas markets. Responsibilities will cover advising and servicing between 15 and 25 institutional clients on the Pacific Basin markets (including a number of foreign institutions and brokers). A full training in these markets, where necessary, will be provided, thus ensuring a full understanding of the stockmarkets, and the implication of local political and economic situations. Present, a strong diplomatic manner and the ability to write profitable business is essential. The successful candidate should be of sufficient calibre to be regarded as partnership material. A highly competitive remuneration package is negotiable, contributory pension scheme and free life assurance. Applications in strict confidence under reference SIS4199/FT, to the Managing Director.

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,  
35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-438 9216

\* Please only contact us if you are applying for one of the above positions.

## Loans Executive

c.£15,000

A small City-based, full-service merchant bank, which is part of a major overseas international commercial banking group, is looking for an executive aged 25-28 to join its Banking Division. He or she will be responsible for appraising credit worthiness, recommending terms, preparing facility letters and other loan documents. Initially there will be the opportunity for him or her to develop specialist property lending skills in an

innovative environment. The requirement is for a graduate with lending experience. A professional qualification would be an advantage.

A competitive salary around £15,000, which will depend on experience, will be negotiated for this progressive career opportunity.

Please send brief cv, in confidence, to J J Jennings, Ref: GM34/8332/FT.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.  
Tel: 01-235 6060 Telex: 27874

### Unconventional Trade Finance/ Countertrade/Barter Senior Executive

Following the U.S. Export Trading Company Act of 1982 and the establishment of Citicorp International Trading Company Inc, Citicorp International Bank Ltd, is significantly expanding its activities. This is an exciting development which has created an immediate opportunity for a senior executive.

As a member of a highly professional team based in London, you will be totally involved in the development and expansion of our Unconventional Trade Finance, Countertrade and Barter activities. You will personally be responsible for a region comprising Europe, Middle East and Africa but will be part of a global network working in co-operation with Citicorp offices throughout the world.

**CITICORP**

APPOINTMENTS ADVERTISING  
APPEARS EVERY THURSDAY

RATE £31.50  
PER SINGLE COLUMN CENTIMETRE  
(Min. 3 cms.)

## Sales & Marketing Director

**Automotive Parts £25,000+**

Our client is one of the largest suppliers of automotive components in Europe, part of a group with a turnover running into several hundred million pounds. The parts company successfully markets replacement components for both the parent group vehicle part and other makes both in the UK, working mainly through distributors, and overseas where the group sells over half its original equipment production.

For this critical senior position they require a highly successful sales and marketing executive with considerable relevant experience, preferably in the automotive business. He or she must also be a skilled manager of resources who will play a full part in the overall direction of the company.

The remuneration and benefits package will attract high calibre candidates with the necessary broad business acumen.

Write with full personal and career details to John Graham, quoting ref: SMD/GL, or telephone for an application form.

**Cambridge Recruitment Consultants**

1a Rose Crescent, Cambridge CB2 3LL. Telephone: 0223 311316.

Citibank believes that in order to provide superior banking services we need

to be close to where our customers are doing business.

## Young Professionals for Bank Marketing

We would like to recruit several young professionals to work at our offices in:

Edinburgh

Birmingham

Manchester

to market our full range of commercial and merchant banking services to corporate clients.

If you are currently working in the banking, legal or accountancy professions and can demonstrate a successful track record of salesmanship and creative problem solving we are interested in hearing from you. You will probably have 5 years professional

...expanding its regional presence in the UK.

**CITIBANK**

## Senior Lending Officer — Major International Bank —

City

£18,000+ benefits

Our client is a major international banking group with an extensive network of branches and representative offices throughout the world. The steady growth in its UK and international lending portfolio has led to a requirement for an experienced lending officer to assume responsibility for existing client management and the development of potential new markets.

The appointment will be at the level of account officer and will appeal to candidates with a sound credit training, experience in client liaison and the ambition to succeed in the highly competitive area of corporate lending.

The position offers high rewards with considerable and stimulating future prospects. Interested applicants should write with full curriculum vitae to Kevin Byrne, B.A., Banking and Finance Division, PO Box 143, 31 Southampton Row, London WC1B 5HY quoting reference 3334. All applications will be dealt with swiftly and in the strictest confidence.



**Michael Page Partnership**  
International Recruitment Consultants  
London, New York  
Birmingham, Manchester, Leeds, Glasgow

### CLEARING BANKERS

Applications are invited from above average clearing bankers of around the grade IV level who enjoy both travel and meeting people. This is a challenging opportunity requiring first class appearance, self motivation, some lending knowledge and preferably full AIB. Candidates in the age range 23-31 should ideally be residing in one of the following areas: North East between the Tyne and Tees, South East/Home Counties around Guildford/Tunbridge Wells and North London as far as Northampton/Oxford/Cambridge. For application form please telephone or write to Paul Trumble.

**Jonathan Wren** RECRUITMENT CONSULTANTS  
170 Bishopsgate, London EC2M 4LX 01 623 1266

### GREIG, MIDDLETON & CO.

INSTITUTIONAL SELLING

We are looking for an institutional salesperson to help service our broadly based institutional clientele from London. Applicants should have a minimum of two years' experience of fund management with a stockbroker or other financial institution. The successful applicant will join a small team led by a partner and closely supported by our experienced research analysts. The preferred age is 25-35 and remuneration will include a competitive salary and other benefits.

Please apply in writing to:  
Norman Andrews, Administrative Partner  
GREIG, MIDDLETON & CO.  
78 Old Broad Street, London EC2M 1JE  
All replies will be treated in the strictest confidence

### FUND MANAGER/ INVESTMENT ANALYST

A leading Scottish Financial Institution based in Glasgow is seeking a Fund Manager. The successful applicant will be involved in Pension Fund Management and to a lesser extent a Private Client Service. Applicants should have several years experience in a Fund Management capacity. Research experience within the U.K. and overseas markets would be an advantage.

Candidates will have a degree and/or professional qualification and will probably be in the age range 30/40 years.

The position might also interest Investment Analysts wishing to make a move to Fund Management.

Salary commensurate with experience, non-contributory pension scheme and other staff benefits. Please write with full details of career and salary history to:

Box 2840  
RILEY/MCS RECRUITMENT LTD  
Rex Stewart House  
102 Berkeley Street  
Glasgow G3 7LR

### MANAGING DIRECTOR

International Co. with turnover in excess of £200 million seeks a Chief Executive with strong General Management experience whose career has been primarily in Marketing/Sales. We are a rapidly-growing, highly-profitable company and need the unusual person who can further develop our successful growth pattern. This position is headquartered in London. For immediate consideration, send C.V. to:  
G. Drivas, 16 Mary Street, Suite 17, San Rafael, California, 94901, USA

مكتبة احمد العجمي

ACCOUNTANCY  
APPOINTMENTSAPPEAR EVERY  
THURSDAYRATE £31.50  
PER SINGLE COL  
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## Group taxation manager

London, c. £17,000 + car



For a major quoted British industrial group with substantial overseas interests. Reporting to the Group FD you will manage a small department and primarily be responsible for ensuring that the group's worldwide operations are planned and managed with a view to maximum tax efficiency.

This post should be attractive to a qualified accountant (man or woman) in the mid to late twenties who has specialised in taxation for the last two or more years either in a professional office or perhaps at assistant manager level in commerce or industry.

Résumés including a daytime telephone number to R C Henry, Executive Selection Division, Ref. H034.

Coopers  
& Lybrand  
associates

Coopers &amp; Lybrand Associates Limited

management consultants

Fleetway House 25 Farringdon Street

London EC4A 4AQ

## Director of Accounting

## Leisure Industry

Central London

£25,000 + car



Arthur Young McClelland Moores &amp; Co.

A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

The group is a newly-formed division of a major British multinational. The component companies are successful and well established, providing a comprehensive range of leisure and entertainment facilities and services. The division is large in its own right, with over 200 locations, sales worth over £100 million and exciting potential for growth.

The job is a new one: to bring together three separate accounting departments with around 150 staff in different locations to create and lead a responsive and well-motivated finance team. The task will require outstanding technical, management and inter-personal skills. Success will offer exceptional potential for career progression.

The need is for a qualified accountant with experience of managing change successfully in a large, preferably multi-national environment. An appreciation of management information requirements and experience of sophisticated computerised systems together with an ability to set objectives and deliver them. Energy, enthusiasm and the skill to communicate effectively at all levels are also required. Please apply in confidence giving concise career and personal details and quoting Ref. ER632/FT to I.D. Tomsson, Executive Selection, Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

## Deputy Financial Director

Building &amp; Development

c. £14,000 + car • East Midlands

Our client, one of the most important development companies in the East Midlands, carries out high quality developments for both the public and private sectors in the Nottinghamshire and surrounding areas.

The company now wishes to appoint a mature, qualified Accountant to assist and ultimately succeed the Financial Director.

Responsibilities will cover all aspects of accounting routine as well as cash flow forecasting and control, budgetary control, grant submissions, insurance and feasibility studies. The small but streamlined account department operates its own computer, on which most accounting systems are already based.



PA Personnel Services

6 Highfield Road, Edgbaston, Birmingham B15 3DZ  
Tel: 021-454 5791 Telex: 357239

Candidates should be aged in their 30's and qualified to FCA level. Previous experience in building, construction or civil engineering would be a considerable advantage.

An attractive remuneration package will include a company car and relocation assistance as appropriate.

Write or telephone for an application form or send detailed cv to A.E.N. Buckley, as adviser to the company, at the address below, quoting ref. A/52/8259/FT on both letter and envelope. Please advise us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission.

A leading Canadian owned multi-national seeks ...

EUROPEAN  
TREASURER

Home Counties

£18,000-£21,000+  
car+benefits

This is an excellent opportunity to join a major North American company having a diverse range of high-technological activities throughout Europe and the UK.

Reporting to the Group Treasurer in Toronto, the successful candidate will work in close liaison with the European Controller and will be responsible for the European Treasury function.

Candidates should have the necessary personal qualities to operate effectively at the highest levels, and will demonstrate a creative and positive approach to problem solving. Previous treasury experience gained in either industry or banking is essential.

Applications in strict confidence should be submitted to Richard Norman FCA or R. N. Collier at our London address quoting reference number 3991.

DOUGLAS  
LLAMBIAS

Douglas Lambias Associates Limited



## Financial Accountant

-Chief Accountant Designate

Sundstrand Hydratec is a highly successful American organisation that manufactures hydraulic pumps and associated equipment and employs some 580 people. Based in Swindon, UK turnover now exceeds £13½m and our rapid growth in the marketplace has placed increasing importance on efficient systems controls and the provision of regular, concise management information.

To ensure we meet these vital business objectives and to strengthen our finance team we now wish to appoint an ambitious Accountant with the potential to assume Chief Accountant status within 2 years.

Aged at least 30, you will be a qualified Accountant - ACA, ACCA - with sound relevant industrial experience preferably gained in an engineering environment and have a knowledge of Pension Funds.

Responsibility will be comprehensive and will ultimately have a considerable impact on the strategic aspects of the business. You will supervise the work of a busy financial and general accounts function responsible for financial planning and control, for reporting to tight time schedules, for providing product costing/profitability information and ad-hoc projects for senior management. You will also be required to act as Secretary to the Pension Fund. A five figure salary will be negotiable according to age and experience and there are particularly good terms and conditions of employment. Generous relocation assistance will be given where appropriate.

Please write with full details of age, experience, qualifications and salary to: The Personnel Director, Sundstrand Hydratec Limited, Cheney Manor, Swindon, Wiltshire SN2 2PZ.

Sundstrand Hydratec Limited  
unit of Sundstrand CorporationFINANCIAL  
CONTROLLER

London

c. £22,000 + car

Part of a substantial multi-million pound group and one of the most respected names in its market sector, the Company is involved in fast-moving, world-wide trade, enjoying a period of rapid expansion and excellent profits.

The Company now seeks to appoint a Financial Controller who will assume total control of the financial function and play a major role in the day-to-day management of the business.

The position calls for a qualified Accountant, probably aged 30-35, with sound all-round financial experience, including overall responsibility for the financial function in an autonomous division or company, ideally within the food industry. Strength of character allied to professional competence are the principal qualities sought.

Salary is negotiable around £22,000 plus car and a full range of benefits. Prospects for further advancement are excellent. Interviews will be arranged in London and Solihull.

Please send in a detailed curriculum vitae or contact us for an application form.

Vincent Lyddieth

PERSONNEL  
SELECTION

Personnel Selection Limited, 46 Drury Lane, Solihull, West Midlands B91 3BJ

Telephone: 021-705 7399 or 021-704 2851

Financial  
Accountant

Aged 24-28 to £13,000 + bonus + car

Habitat, one of the greatest success stories of modern retailing, has recently joined forces with Mothercare and acquired Heals. Expansion and success produce career opportunities and you will be stepping into the position vacated by the newest and youngest Financial Controller in the Group - testament to the policy of promoting from within. You must be qualified, with at least two years post-qualification experience in industry or commerce in a computerised environment, involving staff control and broad financial accounting, including responsibility for the preparation of annual accounts. The position is located at the Head Office in Wallingford, Oxfordshire and the benefits package includes relocation expenses, a guaranteed bonus and, after one financial years service, entry to a profit share scheme involving company shares.

Telephone 01-247 9431 (24hr service) quoting Ref. 0486/FT Reed Executive Selection Limited, 122 Whitechapel High Street, London E1 7PT.



habitat

FURNITURE FURNITURE FURNITURE

## Finance Director

Royal Ordnance Factories  
Ministry of Defence

The Ordnance Factories will become a Companies Act Company through legislation planned early in the present Parliament to provide for the injection of public capital into the organisation. The 11 factories employ some 18,000 people involved in the manufacture and sales of a wide range of high quality defence equipment and munitions. Sales turnover in 1982/3 was £448.5m with trading profits of £68.8m.

It is intended to appoint to the ROF Board a Finance Director with industrial or commercial experience, responsible to the Chairman. This is an unusual and challenging opportunity for an experienced accountant to play a leading part in transforming this major and successful production organisation into a rounded commercial unit in preparation for flotation under the Companies Act.

Initially the Finance Director will be employed in London on terms of a period appointment in the Civil Service at a salary of £33,350 (£34,550 from 1st January 1984), without other benefits. When the organisation has acquired the status of a company, the compensation will be open to negotiation under the new terms of employment.

Candidates (probably aged 35-52) should have a proven record of success in accountancy in the private sector and capital management, together with strong leadership qualities, negotiating skills and administrative abilities.

Please write in confidence, giving concise career and personal details, to: The Managing Director (Ref. F/H/44), Boyden International Ltd., 148 Buckingham Palace Road, London SW1W 9TR. Tel: 01-730 5292

BOYDEN

Financial  
Controller

Slough

c. £14,000 + car

Following a planned policy of decentralisation a new opportunity exists for a commercially aware, qualified Accountant to join a division of this leading UK Group involved in the manufacture of printing inks, paints, chemicals and coatings.

Reporting to the Divisional Managing Director you will be responsible for all day to day accounting and administration including budgets, profit and loss reports, operating statements, cost centre reports and product line profitability.

Probably aged 27/35 you will have the strength of character and personal commitment necessary to make and implement decisions thus gaining the full confidence of the MD.

Please apply in writing showing how you meet our requirements to:

Mr J.T.B. Crouch, Personnel Manager,

▼ Ault & Wiborg Ltd  
71 Stanhope Road, London SW18 5TJFINANCIAL  
CONTROLLER

NORTHWEST

Salary circa £20000 pa

The Holding Company of a number of successful medium-sized Construction Companies requires the services of a highly experienced qualified Accountant who has had at least five years' experience in a managerial position.

The successful applicant will have spent a major part of their career in Civil Engineering or an allied industry. Ideally, the applicant will have experience in dealing with Banks and Financial Institutions, ability to control and up-date computer systems, to produce statutory financial accounts and to supervise and develop the accounting and control functions of the subsidiary companies.

It is unlikely that a person under forty will have the necessary experience. The applicant will report directly to the Financial Director who will be retiring shortly.

The successful candidate will be provided with a car appropriate to their duties as a senior executive and relocation expenses will be reimbursed if applicable. The company operates an attractive Pension Scheme.

Reply to Box A8274, Financial Times  
10 Cannon Street, London EC4P 4BY

## Accountancy Appointments

### Group financial controller

London, c.£20,000, car + bonus



Responsibilities to the Group Financial Director, at the centre of a successful and expanding public group, you will ensure that all statutory and management reporting requirements are met. In addition there will be an emphasis on the maintenance of sound financial controls, business planning and performance monitoring and you will be expected to contribute at subsidiary company Board meetings.

A qualified accountant, probably in your 30s, you should combine initiative and energy with a record of achievement in the manufacturing sector. Ideally you will have previous experience at the head office of a public company.

Résumé including a daytime telephone number to R C Henry, Executive Selection Division, Ref. H028.

Coopers & Lybrand  
associates

Coopers & Lybrand Associates Limited  
management consultants

Fleetway House 25 Farringdon Street

London EC4A 4AQ

### FINANCE DIRECTOR

LONDON

c.£20,000

Games Centre is a fast-growing retail company with turnover in excess of £4 million.

We are looking for a dynamic, top-level, qualified accountant to join our management team and contribute to the efficient and profitable running of the company.

Responsibilities include overall financial control, budgeting and budgetary control, management information systems and financial negotiations.

Age is not important but 28-45 preferred. Retail experience would be an advantage. Ability to utilise computerised accounts systems essential.

Enthusiasm, commitment and compatibility are important as is ability to manage people, take on responsibility, use initiative and apply commercial acumen.

A share option is possible at a later stage.

Apply in strictest confidence, with curriculum vitae, to:-  
Graeme Levin, Managing Director  
GAMES CENTRE LIMITED  
22 Oxford Street, London W1A 2LS

### Accountant

c.£15,000  
Lloyd's Syndicates

Our client is a leading underwriting agency managing several syndicates. Due to a broadening of responsibilities within the company, they now require an experienced accountant. He or she will be responsible, with a small team, for the financial administration of the syndicates. The company, which is based in the City, has its own computer and the successful candidate will be involved in the development of systems to provide management information.

Candidates will probably be aged around 30 and ideally will have experience of Lloyd's accounting practices. This, however, is not essential and we will readily consider adaptable people with a real interest in the insurance world.

Our client is offering an attractive salary and a range of benefits, including an above average pension and life assurance scheme, free medical expenses scheme and luncheon vouchers. There is also a discretionary bonus scheme.

Please apply to Sir Timothy Hoare, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London WC2A 1EG, tel: 01-242 5775.

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### YOUTH HOSTELS ASSOCIATION

#### Management Accountant

Around £15,000 per annum (negotiable)

The Association seeks an interested and qualified accountant with several years' managerial experience to develop its accounting systems and overall financial policy.

The YHA manages over 250 hostels throughout England and Wales, of a replacement value in excess of £50 million, through Regional Offices and a Central Administration with total turnover beyond £6 million.

The post advertised is based at St. Albans with the holder responsible to the National Secretary.

Job description and application forms from

National Secretary, YHA,  
Trevlyn House, St. Albans, Herts, AL1 2DY,  
to be returned within 2 weeks of the date of this advertisement.

Interviews in London as soon as possible thereafter.

If further details required please ring

Mr. Livingstone on St. Albans 55215.

### Financial Director

#### Manufacturing

W. Midlands c.£20,000+car etc.

The U.K. subsidiary of a major multinational is being restructured in a manner which will give it greater autonomy and the opportunity for real growth and profitability.

The appointment of a Financial Director/Co. Secretary is a new one and will head a department of some 40 people. Candidates should be no older than 45 and must be professionally qualified accountants with several years industrial experience culminating in a current position as controller/director of a company which is preferably independent. However, experience of relating to U.S.-style management is important together with experience of treasury work, strategic planning, profit forecasting, risk assessment, data processing and above all proven ability to manage people.

The company is already a market leader in its particular sector of capital equipment and has a strong brand image. Future prospects are therefore excellent and include an opportunity for equity participation.

Applicants, male or female, should either write or telephone quoting reference B2192.

Peter Nurse  
Mason & Nurse Associates  
126 Colmore Row Birmingham B3 3AP  
Tel: 021-236 0066.  
Offices in London & Birmingham

**Mason & Nurse**  
Selection & Search

### Creative Accounting

Central London

c.£12-14,000

forecasting, efficiency reviews and special reports for board presentation—all for specific purposes with a minimum of routine. Excellent promotion opportunities will arise through working closely with senior management of all disciplines, both at holding company and subsidiary level.

Contact David Tod, BSc, FCA  
on 01-405 3499 quoting  
reference D11/CF

**Lloyd Management**

125 High Holborn London WC1V 6OA Selection Consultants 01-405 3499

### Financial Controller

**Oil industry services**

Central London

c.£18,000 + car



Arthur Young McClelland Moores & Co.  
A MEMBER OF ANSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

Input to every aspect of the company's activities.

Candidates must be qualified accountants with experience of working for the smaller entrepreneurial company. Evidence of a broader, commercial involvement will be sought. Personal qualities of flexibility, commitment and enthusiasm are essential for success. Age indicator is late 20s to early 30s.

Please reply in confidence giving concise career and personal details and quoting Ref. ER629/FT to I.D. Tomison, Executive Selection.

Arthur Young McClelland Moores & Co.,  
Management Consultants,  
Rolls House, 7 Rolls Buildings,  
Fetter Lane, London EC4 1NH.

**ARTHUR  
ANDERSEN  
& CO.**

**Insolvency Manager**  
Hong Kong Neg. £30,000+

We have been retained by Arthur Andersen & Co., one of the World's leading accountancy firms, to recruit a Manager for its fast developing Hong Kong insolvency practice. The position involves the co-ordination of new work with local and UK specialist partners and significantly contributing to the firm's exciting growth programme in this vibrant location. Applicants, aged 30-45, must have considerable liquidation experience together with some exposure to Court related insolvency work, strong practice development skills and a high level of communicative ability. Membership of the IPA whilst desirable is not essential. It is intended that after a brief induction in London, a two year period will be spent in Hong Kong with attractive longer term prospects available in either location. The salary indicator, which includes a housing allowance, is negotiable and will not be a limiting factor. Interviews will be held in London. Candidates should write to Allan Marks enclosing a comprehensive curriculum vitae, quoting reference 428/1 at Michael Page Partnership, P.O. Box 143, 31 Southampton Row, London, WC1B 5HY.



**Michael Page Partnership**  
International Recruitment Consultants  
London New York  
Birmingham Manchester Leeds Glasgow

**INTERNATIONAL BANK  
ANALYST**  
c.£20,000

IBCA Banking Analysis Limited requires a senior analyst, who should be an accountant, M.B.A. or professionally qualified person, preferably with a background in financial analysis and/or in banking. IBCA is the leading company in its field, specialising in the rating of banks, and the position requires visits to international banks in order to conduct in-depth interviews at a senior level. A knowledge of one or more foreign languages, preferably including Spanish, would be advantageous. Salary c. £20,000 plus profit share.

Reply to: Box A8252, Financial Times  
10 Cannon Street, London EC4P 4BY

### NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

Thursday 22nd September, 1983

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 22nd September, 1983, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments". Advertising rates will be £31.50 per single column centimetre. Special positions are available by arrangement at premium rates of £37.50 per s.c.c. Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

We will also be including in this feature a

### GUIDE TO RECRUITMENT CONSULTANTS

and entries in the guide will be charged at £45 which will include company name, address and telephone number.

For further details please telephone  
01-248 4782 or 01-236 9763

**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER

Take the audit trail through Europe, the Middle East and Africa  
**INTERNAL AUDITORS**

Based in Brighton, c.£12k+mortgage subsidy and benefits

Based at the European Headquarters of one of the world's leading financial services organisations with consolidated assets of \$27 billion, it is a team of Corporate Auditors who perform audits at Company locations throughout Europe, the Middle East and Africa. Candidates will need to be qualified Chartered or Certified Accountants OR have 3/4 years' internal audit experience in the financial sphere. Considerable flexibility is called for not just to negotiate different methods of working around the world but in order to adapt to constantly changing personalities and environments.

Although you are unlikely to be on your own, you will need to be self-motivating, resourceful and possessed of strong inter-personal skills in order to be totally effective. Naturally you will welcome working overseas for at least half of your time.

Whenever possible corporate financial and EDP audit functions take an integrated approach. Some background in data processing would therefore be attractive, but it is not a pre-requisite.

In career terms the role is highly "visible" and can open many doors within this large multinational company.

Remuneration depends entirely on experience but with a benefits package which includes relocation, mortgage subsidy, non-contributory pension and much more besides, we are sure you will want to talk.

Call GEOFFREY HENLEY on the number below or on 0273 686472 outside office hours for an informal discussion. Alternatively, send a full C.V. to us and we will contact you.

**INBUCON MANAGEMENT CONSULTANTS LIMITED**  
D.P. Recruitment and Contract Services,  
Suite T, The Priory, Haywards Heath, West Sussex, RH16 4DG.  
Telephone: Haywards Heath (0446) 458821 (24-hour answering service)

### Property Taxation Accountant

A forward thinking Property PLC Group is looking for a Qualified Accountant aged 30-45 who has specialised in corporate taxation (preferably with property background). The successful applicant will be expected to deal with corporate tax planning and all relevant taxation matters including the submission of tax computations etc.

An attractive salary package together with other benefits will be offered to the successful applicant.

Write with full details of career to date to:  
Box A8272, Financial Times  
10 Cannon Street, London EC4P 4BY

Jeffrey L. Coe

## GENERAL APPOINTMENTS

## Oppenheimer are looking for a Marketing Manager to grow with them.

Oppenheimer Fund Management offer a challenging opportunity for a marketing manager to join a fast growing and successful company. Oppenheimer is one of the most successful unit trust companies in the USA. Now a subsidiary of Mercantile House, the well-known international financial services group, Oppenheimer is currently launching unit trusts in the UK with the objective of a long-term position of strength.

The role of the marketing manager will be to attract investors through effective promotion of Oppenheimer products and services. The successful applicant will be responsible for all aspects of marketing, liaison with Advertising Agency, market analysis and research, production of promotional materials and will be actively involved in new product development.

The successful applicant will be aged around 30, probably university educated. Relevant experience is desirable and should include significant knowledge of marketing and advertising. A willingness to innovate in a disciplined manner will be important.

Salary by negotiation and applications will be treated in confidence. Please apply in writing, enclosing CV, to:

Christopher White-Thomson,  
Chief Executive,  
Oppenheimer Fund Management Ltd,  
Mercantile House,  
66 Cannon Street, London EC4N 6AE.

**Oppenheimer**



## Investment Management

£15,000-£20,000

A major UK pension fund based in Central London is in the process of setting up an in-house investment department and is seeking a Deputy Manager.

The successful candidate, male or female, is likely to be between 27 and 35, a graduate and/or professionally qualified, and have had several years' experience with a pension fund, merchant bank or other investing institution.

This will be a challenging and exciting opportunity for someone ready to assume considerable responsibility within a small and flexible team. The remuneration package will be suitably attractive, in the range £15,000-£20,000.

## PERSONNEL ADVERTISING LIMITED

Please send a full curriculum vitae to David Macmillan, Managing Director, Personnel Advertising Limited, 22 Red Lion Street, London WC1R 4PX. All replies will be passed to our client unless we are advised of companies to which your papers should not be sent. Please quote ref. GRS 684.

BANKING EXECUTIVE  
CREDIT AND MARKETING  
INTERNATIONAL BANK  
—LONDON

The expanding London Branch of a major Middle Eastern bank wishes to appoint an experienced Banking Executive to undertake marketing and business development in Europe.

The successful applicant will be personable, well educated and experienced in the credit and marketing areas with a major international bank. European languages are desirable but not essential.

The remuneration package includes a competitive salary, a car, a mortgage subsidy and other benefits associated with a large international institution.

Write Box A8266, Financial Times  
10 Cannon Street, London EC4P 4BY

BROKING AND  
GENERAL INSURANCE

London

£30,000

A senior executive is required for the London operation of an expanding international insurance group. Major activities are broking and reinsurance of general business and there are offices in ten countries worldwide.

Candidates should be in the age range 38-50 and be qualified accountants. They must have in-depth knowledge of general insurance together with Lloyd's accounting requirements. The candidate appointed will report to the group chief executive and there will be scope for further career development.

The salary and benefits will be the subject of negotiation and will reflect the importance of the appointment. Applications giving a career history and personal details should be sent in confidence to DWE Apps quoting ref. FT/423/A at:

Ernst & Whinney Management Consultants  
Becket House, 1 Lambeth Palace Road, London SE1 7EU.



## INTERNATIONAL APPOINTMENTS

World-wide  
Operational Audit

Paris FF180-250,000

Our client is a \$6 billion turnover U.S. corporation with considerable overseas interests, particularly in Europe. It is currently seeking to strengthen its international corporate audit team in central Paris by appointing two high calibre accountants.

Candidates, aged 25-35 will be qualified accountants with experience gained either in a large international practice or within the audit function of a major multi-national. A travel content of up to 80% is envisaged encompassing Europe, Asia, Australia and South America. Consequently a good working knowledge of at least one other European language is essential.

For those with good interpersonal skills, flexibility and who would enjoy a truly international lifestyle, this could well be an excellent opportunity.

Interested candidates should contact Stephen Burke on 01-405 0442 or write to him at: Michael Page International, P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

Interviews will be conducted in London and Paris.

**MP**  
Michael Page International  
Recruitment Consultants  
London New York  
Birmingham Manchester Leeds Glasgow

## Internal Audit

Saudi Arabia  
up to c £26,000 tax free

Following expansion and promotion, a leading Saudi Arabian Group with extensive interests in the import, distribution and retailing of vehicles and brown & white goods requires two additional senior Auditors.

Aged 25-35 and fluent in Arabic and English, they must be experienced in carrying out detailed operational, P & L and balance sheet audits. A basic knowledge of computerised accounts and experience of a consumer durables retail operation would be an advantage.

**Senior Auditor Grade I**  
(Ref 1A/1A/110/A) c. £26,000 p.a. tax free

Must hold a recognised Western accountancy qualification, eg. ACA or CPA.

**Senior Auditor Grade II**  
(Ref 1A/1A/111/A) c. £21,000 p.a. tax free

Should have at least five years audit experience with either a Western degree in accountancy or in his final year for a professional accountancy qualification.

These are married status, open-ended contracts with excellent terms and conditions including free car, accommodation and home travel.

Please send comprehensive cv quoting reference number to Mrs. Jean Reynolds at:

INTERNATIONAL MANAGEMENT  
SELECTION LIMITED,  
121 High Street, Oxford OX1 4DD.

Tel: Oxford (0865) 26127 (24 hours).

**COMPAGNIE FRANCAISE DES PETROLES**

Auditors  
Jubail, Saudi Arabia

Bechtel, a world leader in engineering and construction management, is seeking ambitious Chartered Accountants to join their team in Jubail, a major industrial/commercial complex with a projected population of 300,000.

Primary responsibilities will be the auditing of contractors directly engaged by our Client, the Royal Commission for Jubail and Yanbu, and the auditing of various project operations and services.

Your background should include training with one of the "Big 8" professional firms and around 5

years' post qualification experience, 2 of which should have been spent in internal audit. Construction experience would be an advantage.

These single status posts offer a generous tax-free package and benefits, including accommodation and medical care.

Please write with a full c.v. to Pam Charlton, Bechtel Great Britain Limited, Bechtel House, 245 Hammersmith Road, London W6 8DP or phone for an application form on 01-846 6234 - out of hours 01-846 6262.



Engineering and Construction worldwide

EMPLOYMENT  
CONDITIONS ABROAD  
LIMITED

An International Association of Employers providing confidential information to its member organisations, non-individuals, relating to employment of expatriates and nationals worldwide.

01-637 7604

WANTED  
MANAGING DIRECTOR/  
PARTNER FOR U.K. AND  
INTERNATIONAL  
LOCATIONS

We are an American Financial Services Company with senior accountants in Marketing, Financial and Management experience. The executive team has been in existence for 10 years and in excess of £40 million turnover.

Send resume to Chairman

Box 8271, Financial Times

10 Cannon Street, London EC4P 4BY

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This expanding International Investment Bank requires qualified bankers between 25/26 to join their elite team.

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Suitable candidates should telephone:  
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PORTMAN RECRUITMENT SERVICES LTD

## COMPANY NOTICES

## CHARTER CONSOLIDATED

LOAN DE FFR. 100,000,000  
EXTRAORDINARY GENERAL MEETING  
OF SHAREHOLDERS OF SECURITY, S. FREDERIC  
LUDWIG & CO. LTD. TO BE HELD  
AT 2, BOULEVARD, ROYAL, LUXEMBOURG, AT  
10.30 A.M. ON FRIDAY, 24 NOVEMBER 1983, WITH  
THE FOLLOWING AGENDA:

1. Approval and ratification of an Agree-  
ment between the Company and S. Fred-  
eric Ludwig & Co. Ltd. and a corporation  
operated and controlled by S. Frederic  
Ludwig & Co. Ltd. under the laws of the  
Cayman Islands, at Tamar, Cayman  
Islands, which will purchase shares  
of the Company at a price per share equal  
to (i) the nominal value of the share  
plus a premium of 10% or (ii) the  
value of the share as determined by  
the Company, whichever is greater.

2. Approval and transfer to S. Fred-  
eric Ludwig & Co. Ltd. of all assets and  
liabilities of the Company.

3. Dismissal of the Company and  
appointment of a Liquidator.

4. Dismissal of the Company and  
appointment of a Liquidator.

5. Approval and transfer to S. Fred-  
eric Ludwig & Co. Ltd. of all assets and  
liabilities of the Company.

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## UK COMPANY NEWS

## Dewhirst at £1.6m midway and forward sales higher

DESPITE continued pressure on margins during the first half, L. J. Dewhirst Holdings, manufacturer of a wholesaler of clothing, says that trading conditions improved, and reports an 18.7 per cent advance in pre-tax profits.

For the 26 weeks to July 15, 1983, turnover increased by 23 per cent to £16.16m, net profit £1.4m, and the taxable surplus improved by £257,000 to £1.3m.

Profits at the trading level were £1.45m, compared with £1.15m. The pre-tax result was struck after adding lower net interest received this time last year, of £20,000, and a reduction being attributable to capital expenditure and lower interest rates.

There is an effective 14.3 per cent increase in the net interim dividend to 0.32p (0.28p after allowing for a one-for-four scrip issue).

Mr Alisair Dewhirst says that forward orders are significantly higher than last year, although cost increases are difficult to recoup. The company is continuing to expand its product range, supported by enlarged design teams and a growing capital expenditure programme, including a new factory.

He expects the pattern of growth to continue in the second half of the year.

The attributable balance came out at £1.6m (£997,000) after tax of £472,000 (£375,000) to give earnings per 10p share of 2.85p (2.44p adjusted).

## • comment

The stock market's favourite Marks & Spencer supplier, did not disappoint a rather jaded City, so the shares added a couple of pence to 137p.

Taking the company at its word, that the pattern of growth will continue in the second half, it is reasonably inferred that Dewhirst will make close on £3.4m pre-tax for the full year.

Although the chairman comments on the difficulty of recouping cost increases, it should be noted that at the trading level the deficit dropped slightly from £3.15s to £2.55s. There is again no dividend.

## Leopold Joseph Sterling Fund

Revenue of Leopold Joseph Sterling Fund dropped from £29,265 to £22,440 for the period from December 30 1982 to June 27 1983.

However, after lower expenditure of £25,027 (£32,431) the deficit dropped slightly from £3.15s to £2.55s. There is again no dividend.

## Owners Abroad advances to £0.5m at interim stage

FOR THE six months to June 30 1983 turnover of the Owners Abroad Group, tour operator, expanded by £11.7m to £27.82m and pre-tax profits advanced to £249,000, against £237,000.

He expects the pattern of growth to continue in the second half of the year.

The attributable balance came out at £1.6m (£997,000) after tax of £472,000 (£375,000) to give earnings per 10p share of 2.85p (2.44p adjusted).

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## • comment

Even these excellent results from Owners Abroad failed to shift the company's share price

from a seemingly interminable plateau. On an admittedly dull day in the market, the shares galed 1p to close at 261p. The profits increase was almost entirely due to organic volume growth. The Falcon acquisition added only about £20,000 at the pre-tax line, but for the year as a whole should meet its budgeted contribution of over £200,000.

Owners Abroad is invariably pleased with reaching a load factor of 98 per cent. Obviously it does discount in order to put bottoms on airplane seats, but so far this year discounting has been less prevalent. The company has had a load factor of about 92.5m, a figure which would increase still further if Owners ever manages to sell its unwanted yacht. For the second time, it appears that the company will attempt to lease an aircraft, in the hope of bringing its year full mainstream tax rate. Owners Abroad could well make £3.2m pre-tax this year, putting the shares on an undemanding fully taxed multiple of 6.

Wm. Jacks moves ahead and restores dividend

WITH a significant advance both at home and overseas pre-tax profits of William Jacks increased from a restated £121,000 to £300,000 for the six months to June 30 1983, and the company is returning to the dividend list with an interim of 3.5p net.

In the UK profits rose from £50,000 to £100,000 and the overseas contribution was up at £201,000, against £155,000. Turnover for the period was £10.37m compared with £9.28m. Pre-tax profits include an exchange gain of £25,145, which would have been taken direct to reserves if the new accounting policy had been introduced at the half year.

The directors of the overseas trader, motor car distributor and retailer, say the motor group had a successful half year and aims are that following the August reorganisation, the outcome for the next seven months should be as good.

The development in Cobham of a quality car showroom is

showing good results and the Ascot acquisition is trading profitably, they add.

Following the decision to run down the finance division the company has closed the Birmingham office and is pursuing debts from the Sunningdale office.

The holding company is still involved in a number of different charges following the recent acquisition and development programme.

Tax for the period took £15.000 (£52,000) and earnings per 25p share emerged at 3.42p against 1.35p.

UK pre-tax profits for the six months exclude losses of the financial division which have been set against the provision for future costs to closure, made at December 31 1982. UK pre-tax profits for the six months to the end of June 1982 would have been £76,226 had they been revised to exclude the losses of the division.

Wm. Jacks ultimate holding company is Jacks International (Singapore).

## G. W. Sparrow sharp rise to £581,000 at midway

ALMOST doubled pre-tax profits of £51,000 compared with £30,000 have been produced by G. W. Sparrow and Sons for the first half of 1983 following an uplift in UK operations. The directors of this crane hire group are confident that overall 1983 will be a satisfactory year.

Together with offshore services and equipment sales divisions, UK operations for the six months returned profits of £198,000 compared with a loss of £174,000 in 1982.

The net interim dividend has been doubled from 0.25p to 0.5p. Earnings per 20p share are shown as moving up from 2.80 to 5.44p. In the last full year a total payment of 1.25p was made from pre-tax profits of £1.07m.

The results for the first half of 1982 have been restated in accordance with a change of accounting policy for interest.

Turnover increased from £14.4m to £14.57m. The directors say that the crane hire market within the UK has shown some improvement in the last year and it is hoped that this will continue. The group's operational structure is in a position to take full advantage of any increase in business which it occurs, they say.

Elsewhere the group's international reputation and its fleet of cranes should continue to

ensure the winning of profitable contracts.

At the end of the last full year the directors had reported that UK crane hire business was improving, although it was difficult to obtain profitable contracts. They were confident that they would continue to increase the company's presence in various markets, from which they expect to continue to improve profitability.

Commenting on the period under review, they say that they are pleased to note that in spite of the difficulties within the UK crane hire market, the crane hire division showed improved results due mainly to rationalisation of its fleet, so that it divided "leaser and titter."

The directors say that the share of profits from associate companies is highly satisfactory at £455,000, although this contribution was slightly lower than last year's £478,000.

Trading profits moved up from £2.15m to £2.21m, including profits from operations at £2.21m (£2.19m) and profits on the disposal of fixed assets of £45,000 (losses £43,000). Depreciation amounted to £1.2m (£1.1m) and net interest dropped from £1.21m to £953,000.

Turnover amounted to £51,000 (£51,000) leaving the attributable balance ahead from £287,000 to £580,000. The cost of proposed dividends rose from £24,000 to £49,000.

## LMI confidence in Banbury

Losses at the recently acquired Banbury Homes and Goddess had been reduced, Mr C. M. Beddoe, chairman of London and Midland Industries, told the annual meeting. He anticipated some profit this year and "obviously a very good return thereafter."

Turnover pre-tax profits of this engineering and industrial service company amounted to £2.93m for the year to the end of March 1983.

The group of companies purchased from Johnson and Firth

## TODAY

Interspace Anglo American Gold Investments, Anglo American, British Petroleum, Cadbury Schweppes, Cambridge Electronic Industries, Castle Holdings, Chertsey Group, James Gullion, Gullion Electrical Closures, Micro Business Systems, Morgan Crucible, Nibley and Luton.

Finals—Continental Microwave, J. and J. M. Miller, Zambelli Copper Investments.

FUTURE DATES

Interspace—Sept 8

Cadbury—Sept 7

Heyters—Sept 12

Newbold and Burton—Sept 7

Royal Doulton—Sept 7

Smiths—Sept 19

Yule Cato—Sept 16

Finals—Cope Allman International—Sept 12

## NOTICE OF REDEMPTION TO HOLDERS OF COURTAULDS INTERNATIONAL FINANCE N.V. 91% GUARANTEED LOAN DUE 1985 UNCONDITIONALLY GUARANTEED BY COURTAULDS PLC

NOTICE IS HEREBY GIVEN that pursuant to Condition 5 of the terms and conditions of the Loan and Clause 2 of the Trust Deed dated as of 5th October 1970 between Courtaulds International Finance N.V. "the Company", Courtaulds, Limited, "the Guarantor", Lloyds Bank Limited "the Trustee", the Bonds bearing the following serial numbers have been drawn for redemption on 1st October, 1983, by operation of the Sinking Fund at the redemption price of 100% of the principal amount thereof. The redemption payment of each Bond drawn for redemption will become due and payable on 1st October, 1983. Interest on each such Bond will cease to accrue on and after such date. The balance of USD 369,000 of the Sinking Fund requirement has been satisfied by the delivery of Bonds acquired by the Company as permitted by the said clause 2.

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## UK COMPANY NEWS

## BIDS AND DEALS

## Portsmouth &amp; Sunderland buys Croydon Advertiser

BY DAVID DODWELL

The Portsmouth & Sunderland Newspapers group yesterday provisionally agreed to buy the loss-making Croydon Advertiser group for a deal worth 22.3m £.

The deal will give the owner of the Croydon group's in-house printing operations, and the sale of its headquarters, Advertiser House.

The Croydon Advertiser has been owned for 114 years by the Croydon group, Jesse Ward Investments. From profits of more than £1m three years ago, it slipped to losses of £65,000 in 1982.

It comprises nine weekly newspapers, three free newspapers, and the Daily World, monthly publication with a circulation of about 26,000. The Portsmouth and Sunderland group intend to keep all of the present publications going. Neither company was willing

to disclose what redundancies will arise from the rationalisation. At present, the Advertiser group's workforce totals 300. Sir Michael Storey, chairman of the Portsmouth and Sunderland group, said that discussions were planned with the trade unions.

At present, the Portsmouth and Sunderland group own papers stretching from Sunderland and Hartlepool in the north, to the south and the Isle of Wight in the south.

Printing for all of the group's newspapers is done at a plant in Portsmouth. The Croydon Advertiser's printing operations will be transferred to Portsmouth.

The Portsmouth group committed itself to a £1m investment programme two years ago—almost half of which was to be spent on two new printing lines.

These will be in full operation in

the near future, trebling the group's printing capacity overnight.

Sir Richard was keen to stress yesterday that the family owning the group had no intention to get in train plans to rationalise the group, irrespective of whether a buyer could be found.

We were approached by Mr Stiby (chairman of Jesse Ward) and were asked to take a listing ship in in.

Indicating that the Croydon group could successfully be returned to profit, he suggested that the group's weakness was in part the result of trying to maintain in-house printing operations in a time of rising print costs and increasing competition using rapidly modernising techniques.

## Midland Mart £0.6m estate agencies deal

Midland Mart, the Banbury company which deals in live-stock, agricultural property and computer software, has acquired the Shipways and Robert Young estate agency groups for £100,000.

Midland Mart, which is quoted on the Unlisted Securities Market, paid £500,000 for Shipways financed by the issue of 427,000 new shares. It paid £110,000 for Robert Young's estate agency by the issue of 54,306 ordinary shares and £40,000 in cash.

The company said the takeover represented a "once and for all" expansion into the residential property market. Robert Young and Shipways have a total of 15 offices situated throughout the Midlands. Both will continue to trade under their existing names.

The deal represents another step in the trend of publicly quoted companies taking over the management of estate agencies which traditionally were private partnerships.

## PEKO WALLSEND

Peko-Wallsend has said it will lower its offer price for Robe River shares to 23p each, less any dividend which Robe may declare, from its original offer of 30p if it succeeds in obtaining between 50 and just under 90 per cent of Robe.

However, if Peko gains acceptance for its 90 per cent of Robe's 43m issued shares, which its offer becomes unconditional, it will pay 24p per share.

Pancontinental Mining, which earlier bid 32p per share for Robe, has said it will not accept Peko's offer for its 9.4 per cent stake.

Pancontinental Mining, which

recently bid a majority stake in the company with the rest owned by Charterhouse Development Capital which is providing financial backing in partnership with Barclays Development with

Barclays Development

Tiger Rail was formed in 1978

by Mr Bull and now operates a fleet of nearly 1,000 wagons,

including tank, powder and

wagons on British Rail for

private users, have bought their company from North American Car Corporation in a deal worth more than £1m.

The present managing director, Mr Richard Bull, the finance director, Mr Brian Pettit, and a number of other managers who

together hold a majority stake

in the company with the rest

owned by Charterhouse Development Capital which is providing

financial backing in partnership

with Barclays Development

Tiger International decided to

dispose of its air freight

business. Mr Bull added.

With just seven days to go

before the offer lapses, market

analysts were yesterday predicting

a new initiative from BPCC

ahead of the weekend—perhaps

today.

Buy-out at Tiger Rail

THE MANAGEMENT of Tiger

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Stewart Nairn deal with Gulf Pet.

Stewart Nairn, the group brought

back from suspension last year

by Sharjah businessman Abdul

Mahmud Buhkair, yesterday

signed an agreement with

Gulf Petroleum Products Cor-

poration to acquire an option to

buy for £85m the 60 per

cent interest in business pre-

revenues in Sackville Street in

central London that it does not

already own.

Stewart Nairn, now exclusively

a property company, bought e

40 per cent stake in the premises

from Gulf Petroleum in June

this year. It issued 8m shares

to finance the deal, valuing its

stake at £4.4m at prevailing

share prices.

It yesterday agreed to pay

another 600,000 ordinary shares

for the option to acquire the

remaining 60 per cent. The

option can be exercised before

October 31 next year, and will

involve payment by means of a

further issue of shares.

Buy-out at Tiger Rail

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today.

Bright future ahead for Fitch Lovell

THE FUTURE for Fitch Lovell

has never looked brighter, says

Mr Geoffrey Hankins in his

annual statement.

He says that the past 12

months represent a fresh start

for the Fitch Lovell Group with

both its senior management

team and activities having been

restructured.

He adds that the group's

revenue has increased by 10 per

cent in the first half of the year

and that the group's profit

margin has improved by 1.5 per

cent.

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Imitators eat into  
Swiss cheese  
sales, Page 36

\$123  
only

NEW YORK STOCK EXCHANGE 28-29  
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## SECTION III - INTERNATIONAL MARKETS

# FINANCIAL TIMES

Thursday September 1 1983

### WALL STREET

## Indicators spur pace of equity gains

THE STOCK MARKET on Wall Street advanced strongly yesterday despite further weakness in the credit sector. There were widespread gains among leading shares and turnover showed a welcome increase from the unexciting levels of recent trading sessions, writes *Terry Byland in New York*.

Investors have been heartened by the stock market's resistance to this week's downturn in bond prices and the mood was helped by the news of a smaller than expected rise in economic indicators in July which is expected to reduce upward pressure on interest rates.

But some market traders remained cautious, pointing out that yesterday's ratio of share gains to losses at 2-1, indicated that profits are still being taken.

At the close, the Dow Jones Industrial average soared 20.12 to 1,216.16.

Fixed interest sectors opened lower and gave further ground as the Federal Funds rate moved up from an opening 9½ per cent to 9¾ per cent at mid-session. At this stage, however, the Federal Reserve Board helped the market with overnight system repurchase arrangements and bond prices rallied to just under overnight levels.

The Fed's use of system repurchases, rather than merely bringing forward orders from its overseas customers, appeared to indicate its unwillingness to see the Fed Funds rate moving up again. But yesterday was the weekly make-up day for the banks and technical pressures were influencing short-term rates in the market.

Motor and steel issues again attracted buying support. Chrysler put on 3½ to 3¾% on the decision to increase production. Ford S2 better at \$56.5, continued to build on its success in European markets, as did General Motors, 3½ higher at \$11.4.

Selective buying of steel shares again favoured National Steel, 3½ up at \$27.4 and Inland Steel \$2 up at \$32.4, but U.S. Steel, the industry leader, remained dull.

IBM was strong at \$119.4, a net gain of 3½. Other high-tech issues to move higher included Honeywell, 3½ up at \$120.4, AT & T, 3½ up at \$65.4.

Chemical issues, which have lagged the market, advanced sharply on increased buying from the institutions. Dow Chemical added 3½ to \$37 and Du Pont 3½ to \$32.2, both featured in last week's list of above-average-sized deals, which are an indication of interest from the major investment institutions. Monsanto stood out with a gain of 3½ to \$11.4.

Among oils, Exxon put on 3½ to \$38 and Mobil gained 3½ to \$32.4.

There were buyers for General Electric, 3½ up at \$51.4, Burlington Industries 3½ higher at \$41.4 and Minnesota Mining and Manufacturing 3½ up at \$76.4.

### KEY MARKET MONITORS



### STOCK MARKET INDICES

	Aug 31	Previous	Year ago
DJ Industrials	1216.18	1196.04	901.31
DJ Transport	548.58	538.21	360.61
DJ Utilities	129.53	130.06	115.06
S&P Composite	164.40	162.86	118.51

	FT Ind Ord	716.3	581.8
FT-A All-share	450.36	454.52	347.92
FT-A 500	487.58	492.47	383.45
FT-A Ind	438.02	442.93	353.01
FT Gold miners	578.8	685.8	332.2
FT Govt sec's	79.23	79.41	77.98

	Nikkei Dow	9195.32	7123.38
Tokyo SE	678.53	677.97	530.48

	All Ord.	685.2	482.6
Metals & Mins.	599.8	594.9	392.6

	Credit Aktien	55.19	55.15	48.85
Belgian SE	132.43	132.69	97.71	

	Toronto Composite	2483.0	2450.4	1613.3
Montreal Industrials	441.61	435.32	283.42	

	Combined	414.75	408.16	279.08
DENMARK				

	Copenhagen SE	186.31	186.42	86.76
FRANCE				

	CAC Gen	134.7	135.9	101.21
Ind. Tendance	142.7	143.7	116.8	

	FAZ-Aktien	308.29	309.47	221.94
Commerzbank	914.1	914.3	673.5	

	Hong Kong	985.94	971.08	1056.33
ITALY				

	Banca Com.	202.53	201.91	170.35
METAL				

	ANP-CBS Gen	138.4	138.1	86.4
ANP-CBS Ind	111.3	112.9	58.3	

	OSLO SE	205.19	203.73	108.26
SINGAPORE				

	Straits Times	989.3	988.12	827.25
SOUTH AFRICA				

	Cold's	945.3	955.1	562.1
Industrials	932.4	922.2	607.8	

	Spain	113.51	114.33	108.36
SWEDEN				

	J & P	1493.92	1497.84	615.21
SWITZERLAND				

	Swiss Bank Corp.	332.80	331.10	246.5
WORLD				

	Aug 30	Prev.	Year ago
Capital Int'l	178.3	175.1	131.7

	Gold (per ounce)	Aug 31	Prev.
London		\$414.52	\$417.875

	Frankfurt	\$414.5
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## **NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES**

A FINANCIALTIMES SURVEY

# METALS

October 11

The Financial Times is proposing to publish a Survey on Metals in its issue of October 11 to coincide with the London Metal Exchange Dinner. The provisional editorial synopsis is set out below:—

<b>1. INTRODUCTION</b> The metals market prospects.	<b>5. INVESTMENT</b>
<b>2. OUTLOOK FOR INDIVIDUAL METALS</b>	<b>6. FUTURES</b>
<b>3. CONSUMPTION</b>	<b>7. PRICING</b>
<b>4. PRODUCTION</b>	<b>8. EAST-WEST TRADE</b>

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**Continued on Page 2**

## AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

**Continued on Page 3**

## NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounts to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of short-term are annual rebursements based on

noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. d-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue. In the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begins with date of split. s1-calls. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. w-in bankruptcy or receivership or being re-organised under the Bankruptcy Act, or securities assumed by such companies w1-when distributed. w1h-when issued with warrants x-ex-dividend or ex-rights. xds-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yd-yearly.



## LONDON STOCK EXCHANGE

## MARKET REPORT

## RECENT ISSUES

## Investors again hold back and small sales force most leading shares down

## Account Dealing Dates

Options  
First Declarer Last Account Dealing: thens Dealing Day Aug 15 Sept 1 Sept 2 Sept 12 Sept 5 Sept 15 Sept 16 Sept 26 Sept 19 Sept 29 Sept 30 Oct 19 New Dealing: dealings may take place on 3.50 am two business days earlier.

Equity investors again refused to be drawn yesterday and leading shares sagged as further small sales added to the weight of stock currently hanging over many areas of the London market. Seasonal considerations forced to a relatively active market, and other large investors, and smaller potential buyers were also holding back.

Technicals associated with the current long trading Account, which ends tomorrow, also inhibited professional business, but the recent overall apartness of investors is a reflection of wider trends.

Since the rise to all-time equity peaks only six trading days ago, two influential forecasting groups have made bearish predictions on UK economic trends. More recently, renewed concern about the U.S. economy has triggered a pending short-term bulge putting upward pressure on international interest rates have undermined confidence.

The uncertainties have had a dampening influence on equity markets owing to the absence of demand and yesterday was no exception. The quality industrial moved lower throughout the session and the FT Industrial Ordinary share index fell 8.8 to close at the day's lowest of 707.4 on Monday of last week, it achieved its all-time peak of 740.4.

Only four index constituents resisted the downturn yesterday. Bewater were again volatile, while Imperial Group reacted sharply to the possibility of 2 cigarette price war.

The threat of dearer U.S. credit also spurred some enthusiasm for Gilii-supported securities. Dealings have been thin for some while with buyers recently turning towards the Gilii-linked issue, because of inflationary woes. In contrast, with conventional stocks, the former were a shade easier yesterday after last week's sharp rise. Cheap buying later in the day took most medium- and longer-dated Gilts marginally off the lowest and 10s falls were reduced 1.

## GRE disappoint

Guardian Royal Exchange's interim results and disappointment with the UK motor business aspect of the figures stilled an early modest rally in Composite Insurance, GEC, Standard Life, 200p, and others. Standard Life, 510p, on the announcement, and, following the managing director's comments on the figures, reacted afresh to 'close' 14 down on balance at 502p. Royal Bank finished 13 lower at 512p, and Phoenix, reporting next Wednesday, ended 6 off at 320p. Life issues also gave ground. Prudential lost 7 to 468p, Legal & General 4 to 278p and Manx Life 4 to 420p.

The major clearing banks continued to drift easier, but Merchant Banks attracted investment demand following a broker's circular. Mercury touched a 1983 peak of 430p before closing a 7 up to 427p, while Hill Samuel reached 4 to 277p and NatWest 4 to 278p.

Building issues encountered a fresh bout of small selling. Blue Circle ended 8 down at the day's lowest of 420p, while RMC shed 4 to 354p. Nervous offerings in front of the interim results, due soon, clipped 4 from AMEC to 228p. Among Timbers, Travis and Arnold slipped to 145p before closing 2 down at 310p. Barratt Developments also shed 4 to 214p, and George Wimpey lost the turn to 110p. Steel stockholders' Metal Rail remained a volatile market and, after Tues-

day's fall of 7, jumped to a 1983 peak of 75p on renewed speculation buying before settling a net 15 up at 72p. Burnett and Hallamshire also attracted buyers and rose 18 to 58p.

Business in ICI contracted and the shares, at 542p, gave up half the previous day's price-inspired gain of 16. Other chemical firms were drifting lower, Imperial losing 7 to 320p and Caltite a couple of pence to 165p. Rastek, 217p, shed 3 apiece. Danish concern Novo Industries' 'B' rose 7 points to £215 on the go-ahead by the U.S. food and drug administration to begin marketing its human insulin to the U.S.

## Stores drift afresh

Major Retailers continued to drift lower although selling was again negligible. Habitat Mothercare eased 4 to 278p, while falls of 3 were common to British Home, 260p, Marks and Spencer, 240p, and Woolworth, 270p. Investors, on the other hand, attracted sporadic little support and rose 6 to 323p following the announcement that the company's internal credit card facilities have been increased to 125m.

Buyers also shied away from secondary counters where Harris & Hollings, 272p, and Carreras 211p, gave up 4p, after a volatile session. The quality industrial moved lower throughout the session and the FT Industrial Ordinary share index fell 8.8 to close at the day's lowest of 707.4 on Monday of last week, it achieved its all-time peak of 740.4.

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## W. Mining weak

Mining markets were highlighted by widespread advances in Australian issues.

The latest upsurge in "Downunder" stocks occurred in spite of news of an unlikely series of small results from Western Mining and the revelation that the company is making a placement of 27.5 ordinary shares in Australia only at a price of 50c.

Pilkington Brothers continued to give ground, losing 6 further to 145p. Elsewhere, Spring Grove closed 6 off at 450p, while the rival offer from Sunlight Services, a penny farmer at 174p, original bidders Pritchard Services firmed 2 to 129p.

Continued speculative demand lifted Highgate Optical 10 more to 145p, but Dufay, still reflecting disappointing interim results, with quotations falling off by a few pence, GEC gave up 5 to 203p and Plessey 3 to 181p. Revived offerings left Ferranti 13 lower at 500p, while BAE reacted 7 to 173p. Lee Refrigeration 13 to 250p and United Services 10 to 420p.

Dividend cut caused a dip in Babcock which closed 9 down at 165p, after 162p. Other leading issues trended easier, but losses were usually limited to a couple of pence. Still reflecting the reduced interim dividend and profits, West Group 2 further to 28p, while Thomas Robins gave up 10 to 24p on poor results, and, following the managing director's comments on the figures, reacted afresh to 'close' 14 down on balance at 502p. Royal Bank finished 13 lower at 512p, and Phoenix, reporting next Wednesday, ended 6 off at 320p. Life issues also gave ground. Prudential lost 7 to 468p, Legal & General 4 to 278p and Manx Life 4 to 420p.

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## FINANCIAL TIMES STOCK INDICES

	Aug. 21	Aug. 22	Aug. 23	Aug. 24	Aug. 25	Aug. 26	Aug. 27	Aug. 28	Aug. 29	Aug. 30	Aug. 31	Aug. 32	Aug. 33	Aug. 34	Aug. 35	Aug. 36	Aug. 37	Aug. 38	Aug. 39	Aug. 40	Aug. 41	Aug. 42	Aug. 43	Aug. 44	Aug. 45	Aug. 46	Aug. 47	Aug. 48	Aug. 49	Aug. 50	Aug. 51	Aug. 52	Aug. 53	Aug. 54	Aug. 55	Aug. 56	Aug. 57	Aug. 58	Aug. 59	Aug. 60	Aug. 61	Aug. 62	Aug. 63	Aug. 64	Aug. 65	Aug. 66	Aug. 67	Aug. 68	Aug. 69	Aug. 70	Aug. 71	Aug. 72	Aug. 73	Aug. 74	Aug. 75	Aug. 76	Aug. 77	Aug. 78	Aug. 79	Aug. 80	Aug. 81	Aug. 82	Aug. 83	Aug. 84	Aug. 85	Aug. 86	Aug. 87	Aug. 88	Aug. 89	Aug. 90	Aug. 91	Aug. 92	Aug. 93	Aug. 94	Aug. 95	Aug. 96	Aug. 97	Aug. 98	Aug. 99	Aug. 100	Aug. 101	Aug. 102	Aug. 103	Aug. 104	Aug. 105	Aug. 106	Aug. 107	Aug. 108	Aug. 109	Aug. 110	Aug. 111	Aug. 112	Aug. 113	Aug. 114	Aug. 115	Aug. 116	Aug. 117	Aug. 118	Aug. 119	Aug. 120	Aug. 121	Aug. 122	Aug. 123	Aug. 124	Aug. 125	Aug. 126	Aug. 127	Aug. 128	Aug. 129	Aug. 130	Aug. 131	Aug. 132	Aug. 133	Aug. 134	Aug. 135	Aug. 136	Aug. 137	Aug. 138	Aug. 139	Aug. 140	Aug. 141	Aug. 142	Aug. 143	Aug. 144	Aug. 145	Aug. 146	Aug. 147	Aug. 148	Aug. 149	Aug. 150	Aug. 151	Aug. 152	Aug. 153	Aug. 154	Aug. 155	Aug. 156	Aug. 157	Aug. 158	Aug. 159	Aug. 160	Aug. 161	Aug. 162	Aug. 163	Aug. 164	Aug. 165	Aug. 166	Aug. 167	Aug. 168	Aug. 169	Aug. 170	Aug. 171	Aug. 172	Aug. 173	Aug. 174	Aug. 175	Aug. 176	Aug. 177	Aug. 178	Aug. 179	Aug. 180	Aug. 181	Aug. 182	Aug. 183	Aug. 184	Aug. 185	Aug. 186	Aug. 187	Aug. 188	Aug. 189	Aug. 190	Aug. 191	Aug. 192	Aug. 193	Aug. 194	Aug. 195	Aug. 196	Aug. 197	Aug. 198	Aug. 199	Aug. 200	Aug. 201	Aug. 202	Aug. 203	Aug. 204	Aug. 205	Aug. 206	Aug. 207	Aug. 208	Aug. 209	Aug. 210	Aug. 211	Aug. 212	Aug. 213	Aug. 214	Aug. 215	Aug. 216	Aug. 217	Aug. 218	Aug. 219	Aug. 220	Aug. 221	Aug. 222	Aug. 223	Aug. 224	Aug. 225	Aug. 226	Aug. 227	Aug. 228	Aug. 229	Aug. 230	Aug. 231	Aug. 232	Aug. 233	Aug. 234	Aug. 235	Aug. 236	Aug. 237	Aug. 238	Aug. 239	Aug. 240	Aug. 241	Aug. 242	Aug. 243	Aug. 244	Aug. 245	Aug. 246	Aug. 247	Aug. 248	Aug. 249	Aug. 250	Aug. 251	Aug. 252	Aug. 253	Aug. 254	Aug. 255	Aug. 256	Aug. 257	Aug. 258	Aug. 259	Aug. 260	Aug. 261	Aug. 262	Aug. 263	Aug. 264	Aug. 265	Aug. 266	Aug. 267	Aug. 268	Aug. 269	Aug. 270	Aug. 271	Aug. 272	Aug. 273	Aug. 274	Aug. 275	Aug. 276	Aug. 277	Aug. 278	Aug. 279	Aug. 280	Aug. 281	Aug. 282	Aug. 283	Aug. 284	Aug. 285	Aug. 286	Aug. 287	Aug. 288	Aug. 289	Aug. 290	Aug. 291	Aug. 292	Aug. 293	Aug. 294	Aug. 295	Aug. 296	Aug. 297	Aug. 298	Aug. 299	Aug. 300	Aug. 301	Aug. 302	Aug. 303	Aug. 304	Aug. 305	Aug. 306	Aug. 307	Aug. 308	Aug. 309	Aug. 310	Aug. 311	Aug. 312	Aug. 313	Aug. 314	Aug. 315	Aug. 316	Aug. 317	Aug. 318	Aug. 319	Aug. 320	Aug. 321	Aug. 322	Aug. 323	Aug. 324	Aug. 325	Aug. 326	Aug. 327	Aug. 328	Aug. 329	Aug. 330	Aug. 331	Aug. 332	Aug. 333	Aug. 334	Aug. 335	Aug. 336	Aug. 337	Aug. 338	Aug. 339	Aug. 340	Aug. 341	Aug. 342	Aug. 343	Aug. 344	Aug. 345	Aug. 346	Aug. 347	Aug. 348	Aug. 349	Aug. 350	Aug. 351	Aug. 352	Aug. 353	Aug. 354	Aug. 355	Aug. 356	Aug. 357	Aug. 358	Aug. 359	Aug. 360	Aug. 361	Aug. 362	Aug. 363	Aug. 364	Aug. 365	Aug. 366	Aug. 367	Aug. 368	Aug. 369	Aug. 370	Aug. 371	Aug. 372	Aug. 373	Aug. 374	Aug. 375	Aug. 376	Aug. 377	Aug. 378	Aug. 379	Aug. 380	Aug. 381	Aug. 382	Aug. 383	Aug. 384	Aug. 385	Aug. 386	Aug. 387	Aug. 388	Aug. 389	Aug. 390	Aug. 391	Aug. 392	Aug. 393	Aug. 394	Aug. 395	Aug. 396	Aug. 397	Aug. 398	Aug. 399	Aug. 400	Aug. 401	Aug. 402	Aug. 403	Aug. 404	Aug. 405	Aug. 406	Aug. 407	Aug. 408	Aug. 409	Aug. 410	Aug. 411	Aug. 412	Aug. 413	Aug. 414	Aug. 415	Aug. 416	Aug. 417	Aug. 418	Aug. 419	Aug. 420	Aug. 421	Aug. 422	Aug. 423	Aug. 424	Aug. 425	Aug. 426	Aug. 427	Aug. 428	Aug. 429	Aug. 430	Aug. 431	Aug. 432	Aug. 433	Aug. 434	Aug. 435	Aug. 436	Aug. 437	Aug. 438	Aug. 439	Aug. 440	Aug. 441	Aug. 442	Aug. 443	Aug. 444	Aug. 445	Aug. 446	Aug. 447	Aug. 448







## **INSURANCE & OVERSEAS MANAGED FUNDS**

## حکیم احمد الکھل

Flex. Inv. Growth 103.9 172.8  
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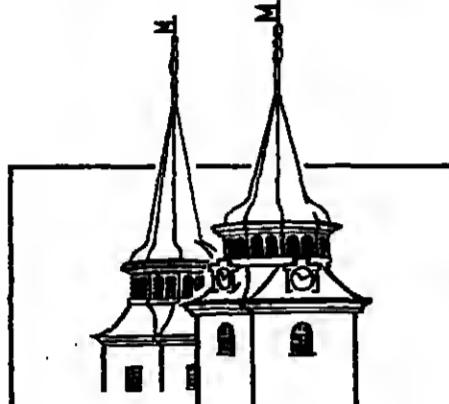
## OVERSEAS





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## Public Works Loan Board rates

Years	Effective September 1		Non-quota loans A <sup>1</sup> repaid		Years	Effective September 1		Non-quota loans A <sup>1</sup> repaid	
	by EPT	At maturity <sup>2</sup>	by EPT	At maturity <sup>3</sup>		by EPT	At maturity <sup>2</sup>	by EPT	At maturity <sup>3</sup>
Up to 2	11%	11%	12%	12%	12%	11%	11%	12%	12%
Over 2, up to 5	11%	11%	12%	12%	12%	11%	11%	12%	12%
Over 5, up to 6	11%	11%	12%	12%	12%	11%	11%	12%	12%
Over 6, up to 7	11%	11%	12%	12%	12%	11%	11%	12%	12%
Over 7, up to 8	11%	11%	12%	12%	12%	11%	11%	12%	12%
Over 8, up to 9	12%	12%	12%	12%	12%	12%	12%	12%	12%
Over 9, up to 10	12%	12%	12%	12%	12%	12%	12%	12%	12%
Over 10, up to 15	12%	11%	12%	12%	12%	12%	12%	12%	12%
Over 15, up to 25	11%	11%	12%	12%	12%	11%	11%	12%	12%
Over 25	11%	11%	12%	12%	12%	11%	11%	12%	12%

<sup>1</sup> Non-quota loans A are 1 per cent higher than quota loans than by half-yearly annuity (fixed, equal half-yearly payments to include principal and interest). <sup>2</sup> With half-yearly payments of interest only.

This announcement appears as a matter of record only.

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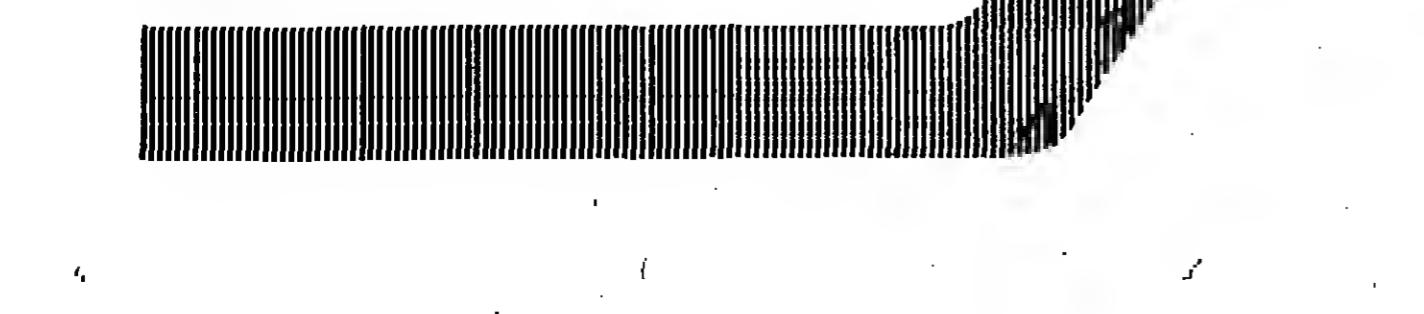
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Saudi American Bank

June 1983



## FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for August 31.

U.S. DOLLAR STRAIGHTS

Amer 0/5 Fis 10% 80 100 874 82% -0% 114 12.84

Bank of Tokyo 10% 80 100 854 85% -0% 114 12.58

Brach Col 10% 80 200 826 83% -0% 114 12.58

C.C.C. 11 1/2% 87 100 874 82% -0% 114 12.01

C.G.C. 11 1/2% 87 100 874 82% -0% 114 12.01

Coca Cola Int 9% 82 100 854 85% -0% 114 12.52

Coca Cola Int 9% 82 100 854 85% -0% 114 12.52

Cred Suisse MAH 10% 80 150 847 84% -0% 114 11.88

Credit Suisse 10% 80 100 854 85% -0% 114 12.00

Daimler-Benz 11 1/4% 83 150 814 81% -0% 114 12.00

Deut Sch 11 1/4% 83 150 814 81% -0% 114 12.00

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